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**EXHIBITS**

to

Objections and Responses of  
Parker Drilling Offshore Company  
(for Hercules Offshore Corporation)  
("Respondent") to the May 20, 2003  
Request for Information Pursuant to  
Section 104 of CERCLA  
(42 U.S.C. Section 9604)

September 11, 2003



201811

# HERCULES

MARINE SERVICES CORPORATION

P. O. Drawer O Freeport, Texas 77541

INVOICE NO. 3581

DATE Sept. 30, 1996

Job No. 5216

Location Freeport, TX

TO:

Dixie Carriers  
2102 Broadway  
Freeport, TX 77541

PLEASE REMIT PAYMENTS TO:  
11011 RICHMOND  
SUITE 500  
HOUSTON, TX. 77042

PO#961459

Terms : Net 30

FOR:

Service to DC 420 as follows:

On 9-25-96 @ 10:00 AM set up equipment

Set up equipment

Strip out all free product

Hot water wash

Blow cargo pipeline and stripping system

Vacuum blow dry cargo tanks

Sweep powder rust from cargo tank floor,

removed equipment.

Completion time: 5:30 PM

LABOR:	Leadman	7 hr	@	35.00 (ST)	245.00
	Journeyman	40 hr.	@	32.50 (ST)	1,300.00
DISPOSAL:	Water	2000 gal	@	.35	700.00
STOCK:	50.00	plus 25%	=	12.50	62.50
EQUIPMENT:	Compressor	7 hr.	@	48.00	336.00
	Air Movers	42 hr.	@	5.00	210.00
	Steam Rig	4 hr.	@	100.00	400.00
	Vacuum	5 hr.	@	30.00	150.00
	Hand Hose	5 hr.	@	12.00	60.00
	2" Strip Pump	4 hr.	@	15.00	60.00

TOTAL AMOUNT DUE

\$ 3563.50

DECLASSIFIED  
09/30/2010

PD 000001

PHONE: (409) 233-6371



\*\*\* TRANSMISSION REPORT \*\*\*

PRINT TIME 12/13 '96 09:23 ID:HERCULES OFFSHORE 713-789-4063

No.	START TIME	MODE	LOCATION	STORE PAGE	TX PAGE	RX PAGE	TOTAL TIME	CODE
5	12/13 09:22	TX	92814571395	ADF	2	0	01'04"	OK

DECLASSIFIED  
09/30/2010

PD 000002



MARINE SERVICES CORPORATION

*Strength through environmental awareness and customer service*

P.O. Drawer O  
Freeport, Texas 77541

Office (409) 233-6371  
Fax. (409) 233-6375

TO: BASF  
602 COPPER ROAD  
FREEPORT TX, 77541

INVOICE NO: 3302-96  
DATE : JANUARY 31, 1996  
JOB NO : 4932-1  
LOCATION : FREEPORT

PLEASE REMIT PAYMENTS TO:  
11011 RICHMOND  
SUITE 500  
HOUSTON TX, 77042

PO#F91392

TERMS : NET 30

FOR: Service to the ETT114 as follows:

Set up equipment  
Strip put all free product  
Hot water wash and blow pipeline and stripping system  
Hot water wash cargo tanks  
Blow cargo pipeline and stripping system  
Vacuum blow dry cargo tanks  
Sweep powder rust from cargo tank floors  
Wash and strip deck around engine and headers  
Clean off deck  
Remove equipment  
Close barge

Disposal:	2,000 gals.	@	.35	\$ 700.00
Equipment:	Compressor 10	@	44.00	\$ 440.00
	Air movers 20	@	5.00	\$ 100.00
	Steam rig 2	@	80.00	\$ 160.00
	Vacuum 3	@	25.00	\$ 75.00
	Hand hose 3	@	10.00	\$ 30.00
	2" Strip pump 2	@	12.00	\$ 24.00
Material:	39.75 + 7.95			\$ 47.70
Labor:	Leadman 7	@	33.50	\$ 234.50
	Journey 28	@	31.00	\$ 868.00

TOTAL AMOUNT DUE \$2679.20

DECLASSIFIED  
09/30/2010

PD 000003

DECLASSIFIED  
09/30/2010

\*\*\* TRANSMISSION REPORT \*\*\*

PRINT TIME 08/05 '96 14:10 ID:LANIERFAX3800

No.	START TIME	MODE	LOCATION	STORE PAGE	TX PAGE	RX PAGE	TOTAL TIME	CODE
28	08/05 14:08	TX	914092388483	ADF	2	0	01'02"	OK

PD 000004

# HERCULES

MARINE SERVICES CORPORATION

P. O. Drawer O • Freeport, Texas 77541

INVOICE NO. : 3306  
DATE : April 30, 1996  
Job No. : 4958  
Location : Freeport, TX

TO: BASF  
607 Copper Rd.  
Freeport, TX 77541

PLEASE REMIT PAYMENTS TO:  
11011 RICHMOND  
SUITE 500  
HOUSTON, TX. 77042

Terms : Net 30

FOR:

Service to the ETT113 as follows:

Set up equipment  
Strip out all free product  
Hot water wash  
Blow cargo pipeline and stripping system  
Vacuum blow dry cargo tanks  
Sweep powder rust from cargo tank floor  
Pressure test cargo pipeline 40 PSI  
Clean off deck  
Remove equipment  
Close Barge

LABOR:	Foreman	6 hr.	@	38.00	228.00
		1.5 hr.	@	53.25 (O/T)	79.88
	Journeyman	31.5 hr	@	32.50	1,023.75
		5 hr.	@	45.75 (O/T)	228.75
DISPOSAL:	Water	2,000 gal	@	.35/gal	700.00
EQUIPMENT:	Compressor	8	@	48.00	384.00
	Air Movers	20	@	5.00	100.00
	Steam rig	3	@	100.00	300.00
	Vacuum	4	@	30.00	120.00
	Hand Hose	4	@	12.00	48.00
	2" strip pump	8	@	15.00	120.00
	Butterworth	6	@	10.00	60.00

TOTAL AMOUNT DUE \$3,392.38

ORIGINAL -

DATED 1-31

3177.34 PAID

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09/30/2010

PD 000005

PHONE: (409) 233-6371

# HERCULES

MARINE SERVICES CORPORATION

P Drawer O • Freeport, Texas 77541

INVOICE NO.

3290-96

DATE

January 15, 1996

Job No.

4936-1

Location

Freeport

TO: Dixie Linehaul  
7747 Tom Drive  
Baton Rouge, LA 70806

PLEASE REMIT PAYMENTS TO:  
11011 RICHMOND  
SUITE 500  
HOUSTON, TX. 77042

PO#P7455

Terms : Net 30

FOR: Service to DC97 as follows:

- 1) Set up equipment; strip out all free product; hot water wash and blow pipeline and stripping system; hot water wash cargo tanks; blow cargo pipeline and stripping system; Vacuum blow dry cargo tanks; remove equipment; close barge

Leadman	6	S/T @	33.50	201.00
Leadman	3.5	O/T @	48.00	168.00
Journey	25	S/T @	31.00	775.00
Journey	22.5	O/T @ 15 <sup>00</sup>	44.25	995.63
Water disposal	8	2,800 gals. @	44.00	352.00
Compressor				525.00
Air movers	36	@	5.00	180.00
Tugboat	2	@	80.00	160.00
Steam rig	3.5	@	80.00	280.00
Vacuum	4	@	20.00	80.00
Hand hose	4	@	10.00	40.00
2" strip pump	6	@	12.00	72.00
Haul out				750.00
Materials				53.18

Total 4,806.81

- 2) Cargo tank inspection; internal structure inspection; dry dock credit

Marine chemist 300.00

Total 300.00

TOTAL AMOUNT DUE

ARRIVED: 1/4/96 1:30 p.m.  
COMPLETED: 1/5/96 8:00 p.m.

4931.81

\$5,106.81

2945.31

1986.50

5992

# HERCULES

MARINE SERVICES CORPORATION

Drawer O • Freeport, Texas 77541

INVOICE NO. : 3290-96  
DATE : January 15, 1996  
Job No. : 4936-1  
Location : Freeport

TO: Dixie Linehaul  
7747 Tom Drive  
Baton Rouge, LA 70806

PLEASE REMIT PAYMENTS TO:  
11011 RICHMOND  
SUITE 500  
HOUSTON, TX. 77042

PO#P7455

Terms : Net 30

FOR: Service to DC97 as follows:

- 1) Set up equipment; strip out all free product; hot water wash and blow pipeline and stripping system; hot water wash cargo tanks; blow cargo pipeline and stripping system; Vacuum blow dry cargo tanks; remove equipment; close barge

Leadman	6	S/T @	33.50	201.00
Leadman	3.5	O/T @	48.00	168.00
Journey	25	S/T @	31.00	775.00
Journey	22.5	O/T @ 15.00	44.25	995.63
Water disposal	8	2,800 gals. @ .50	4.00	700.00
Compressor				352.00
Air movers	36	@	5.00	180.00
Tugboat	2	@	80.00	160.00
Steam rig	3.5	@	80.00	280.00
Vacuum	4	@	20.00	80.00
Hard hose	4	@	10.00	40.00
2" strip pump	6	@	12.00	72.00
Haul out				750.00
Materials				53.18

Total 4,806.81

- 2) Cargo tank inspection; internal structure inspection; dry dock credit

Marine chemist	300.00
Total	300.00

TOTAL AMOUNT DUE

\$ 4,931.81  
\$5,106.81

ARRIVED: 1/4/96 1:30 p.m.  
COMPLETED: 1/5/96 8:00 p.m.

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09/30/2010

PD 000007

PHONE: (409) 233-6371

# HERCULES

MARINE SERVICES CORPORATION

P. O. Drawer O • Freeport, Texas 77541

INVOICE NO. : 3300-96  
DATE : January 31, 1996  
Job No. : 4951-1  
Location : Freeport

TO: TPT Transportation  
7747 Tom Drive  
Baton Rouge, LA 70806

PLEASE REMIT PAYMENTS TO:  
11011 RICHMOND  
SUITE 500  
HOUSTON, TX. 77042

Terms : Net 30

FOR:

Service to the City of Freeport as follows:

Strip bilge

Pump out diesel from stern VOID to main fuel tank.

Pump out bilge mixture (diesel, oil, and water).

Pump diesel back in fuel tanks.

Labor:	Leadman	3.5 O/T	@	48.00	\$ 168.00
	Journey	3.5 O/T	@	44.25	154.88
Disposal:	1500 gals.		@	.50	750.00
Equipment:	Compressor	3	@	44.00	132.00
	2" strip pump	3	@	12.00	36.00

TOTAL AMOUNT DUE \$1,240.88

ARRIVED: 1/20/96 11:00 a.m.

COMPLETED: 1/20/96 2:30 p.m.

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09/30/2010

PD 000008

\*\*\* TRANSMISSION REPORT \*\*\*

PRINT TIME 05/15 '96 13:30 ID:LANIERFAX3800

No.	START TIME	MODE	LOCATION	STORE PAGE	TX PAGE	RX PAGE	TOTAL TIME	CODE
25	05/15 13:28	TX	915049255076	ADF	3	0	01'20"	OK

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09/30/2010

PD 000009



# HERCULES

MARINE SERVICES CORPORATION

P. O. Drawer O • Freeport, Texas 77541

INVOICE NO. : 3292-96

DATE : January 25, 1996

Job No. : 4944-1

Location : Freeport

TO: Leevac  
P. O. Box 2607  
Morgan City, LA 70381

PLEASE REMIT PAYMENTS TO:  
11011 RICHMOND  
SUITE 500  
HOUSTON, TX. 77042

Terms : Net 30

FOR: Service to Delmar 2503 as follows:

Set up equipment  
Strip out all free product  
Cold water wash and blow pipeline and stripping system  
Cold water wash cargo tanks  
Blow cargo pipeline and stripping system  
Vacuum blow dry cargo tanks  
Sweep powder rust from cargo tank floors  
Wash and strip deck around engine and headers  
Pressure test cargo pipeline to 40# PSI  
Clead off deck  
Remove equipment  
Close barge

Equipment:	Compressor	16	@	44.00	\$ 704.00
	Air movers	130	@	5.00	650.00
	Vacuum	8	@	18.00	144.00
	Hand hose	8	@	10.00	80.00
	2" strip pump	10	@	12.00	120.00
Labor:	Leadman	8	S/T @	33.50	268.00
	Leadman	8.5	O/T @	48.00	408.00
	Journey	48	S/T @	31.00	1,488.00
	Journey	51	O/T @	44.25	2,256.75
Material:	193.25	+	38.65		<u>231.90</u>

TOTAL AMOUNT DUE

\$6,350.65

ARRIVED: 1/11/96 7:00 a.m.  
COMPLETED: 1/12/96 12:00 a.m.

BY-

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09/30/2010

PD 000010

PHONE: (409) 233-6371

**HERCULES**

MARINE SERVICES CORPORATION

P. O. Drawer Q • Freeport, Texas 77541

INVOICE NO. : 3070-95

DATE : July 31, 1995

Job No. : 4774-1

Location : Freeport

TO: Dixie Carriers

PLEASE REMIT PAYMENTS TO:  
11011 RICHMOND  
SUITE 500  
HOUSTON, TX. 77042

Terms : Net 30

FOR: Service to barge TPT351 as follows:

Repair fracture in stern box.

Set up equipment

Strip out all free product

Blow cargo pipeline and stripping system

Vacuum blow dry cargo tanks

Remove equipment

Close barge

Labor:	Leadman	7 S/T	@	33.50	
	Journey	41.5 S/T	@	31.00	

\$	234.50
	1,286.50

Marine chemist	250.00	+	50.00	
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300.00

Material:	34.20	+	6.84	
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41.04

Equipment:	Compressor	18	@	44.00	
	Air movers	60	@	5.00	
	Vacuum	4	@	18.00	
	Hand hose	4	@	10.00	
	2" strip pump	4	@	12.00	

792.00
300.00
72.00
40.00
<u>48.00</u>

TOTAL AMOUNT DUE

\$2,814.04

X

5990-100

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09/30/2010

PD 000011

PHONE: (409) 233-6371

AUG-11-1995 13:31 FROM Hercules Marine

TO

17137894053 P.35

# HERCULES

MARINE SERVICES CORPORATION

P. O. Drawer O • Freeport, Texas 77541

INVOICE NO. : 3084-95

DATE : July 31, 1995

Job No. : 4774-2

Location : Freeport

TO: Dixie Carriers

PLEASE REMIT PAYMENTS TO:  
11011 RICHMOND  
SUITE 500  
HOUSTON, TX. 77042

Terms : Net 30

FOR: Service to barge TPT351 as follows:

Set up equipment  
Pump water out of stern  
Gouge and weld fractures

Labor: Journey 8 @ 44.25

\$354.00

Marine Chemist 250.00 + 50.00

300.00

Equipment: Tugboat 1 @ 80.00  
Compressor 2 @ 44.00  
2" Strip Pump 2 @ 12.00  
Hand Hose 2 @ 10.00  
Air movers 2 @ 5.00

80.00  
88.00  
24.00  
20.00  
10.00

TOTAL AMOUNT DUE

876.00

X

5992-100

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PD 000012

HC (409) 233-6371

**HERCULES**

MARINE SERVICES CORPORATION

P. O. Drawer O • Freeport, Texas 77541

INVOICE NO. : 3285-95

DATE : December 29, 1995

Job No. : 4927-1

Location : Freeport

TO: Dixie Linehaul  
7747 Tom Drive  
Baton Rouge, LA 70806

PLEASE REMIT PAYMENTS TO:  
11011 RICHMOND  
SUITE 500  
HOUSTON, TX. 77042

PO#

Terms : Net 30

FOR: Service to TPT111 as follows:

- 1) Pump out 8' water; plug 1" hole, concrete box on plug 8" x 8"

Leadman	3 hr.	@	33.50	100.50
Journey	6 hr.	@	31.00	186.00
Material: Concrete				2.87
Compressor	3 hr.	@	44.00	132.00
3" gas pump	6 hr.	@	14.00	84.00
2" strip pump	3 hr.	@	12.00	36.00
Total				541.37

- 2) Move barge to center of hardpoint, tied, install safety lights

Journey	3.5 hr.	@	31.00	108.50
Total				108.50

TOTAL AMOUNT DUE

\$649.87

5490

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PD 000013

PHONE: (409) 233-8371

# HERCULES

MARINE SERVICES CORPORATION

P. O. Drawer O • Freeport, Texas 77541

INVOICE NO. : 2864-95

DATE : Mar 23, 1995

Job No. : 4585-1

Location : Freeport Yard

TO: Dixie Carriers, Inc.  
2102 Broadway  
Houston, Texas 77012

PLEASE REMIT PAYMENTS TO:  
11011 RICHMOND  
SUITE 500  
HOUSTON, TX. 77042

Terms : Net 30

FOR: Services to the barge TPT-364 as follows:

Set up equipment  
Strip out all free product  
Blow cargo pipeline and stripping system  
Vacuum blow dry cargo tanks  
Sweep powder rust from cargo tank floors  
Wash and strip deck around engine and header  
Pressure test cargo pipeline to 40# psi  
Clean off deck  
Remove equipment  
Close barge

Labor: Foreman 6 @ 36.00  
Leadman 6 @ 33.50  
Journey 18 @ 31.00

Equip: Compressor 10 @ 44.00  
Air Movers 30 @ 5.00  
Forklift 1 @ 20.00  
Vacuum 3 @ 18.00  
Hand Hose 3 @ 10.00

TOTAL AMOUNT DUE:

\$ 216.00  
201.00  
558.00  
440.00  
150.00  
20.00  
54.00  
30.00  
\$ 1,669.00

Arrived: 3/7 7:00 am to  
Completed: 3/7 1:30 pm  
Product: DAC

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09/30/2010

PD 000014

HONE: (409) 233-6371

# HERCULES

MARINE SERVICES CORPORATION

P. O. Drawer O • Freeport, Texas 77541

INVOICE NO. : 3267-95

DATE : December 12, 1995

Job No. : 4920-1

Location : Freeport

TO: Dixie Linehaul  
7747 Tom Drive  
Baton Rouge, LA 70806

PLEASE REMIT PAYMENTS TO:  
11011 RICHMOND  
SUITE 500  
HOUSTON, TX. 77042

PO#P7431

Terms : Net 30

FOR: Service to DC425 as follows:

1) Remove 6" header valve

Journeyman (2) 3 hrs. @ 31.00  
Total: 93.00

2) Replace 6" header valve with new bolts and gaskets

Journeyman (2) 2 hrs. @ 31.00  
Material: 2 1/8" x 6" gaskets  
19.20  
Total: 81.20

3) Strip water from bow rake and #1 wing tank

Journeyman (2) 2 hrs. @ 31.00  
Compressor 1 hr. @ 44.00  
Hand hose 1 hr. @ 10.00  
Cherry picker 1 hr. @ 50.00  
2" strip pump 1 hr. @ 12.00  
Total: 178.00

TOTAL THIS INVOICE

\$352.20

5992-

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09/30/2010

PD 000015

# HERCULES

MARINE SERVICES CORPORATION

P. O. Drawer O • Freeport, Texas 77541

INVOICE NO. : 3268-95

DATE : December 12, 19

Job No. : 4917-1

Location : Freeport

TO: Dixie Linehaul  
7747 Tom Drive  
Baton Rouge, LA 70806

PLEASE REMIT PAYMENTS TO:  
11011 RICHMOND  
SUITE 500  
HOUSTON, TX. 77042

PO#P7428

Terms : Net 30

FOR: Service to DC301 as follows:

- 1) Paint three sets of draft marks port and starboard

Leadman 3 @ 33.50

Journeyman 3 @ 31.00

Total: 193.50

- 2) Remove hydraulic pump #3 cargo tank and install new pump

Journeyman 12 @ 31.00

Total: 372.00

- 3) Install upper part of coupling to deep well pump #3, install hoses to pump. Harvey tested pump, and it was leaking at the O ring. Installed new O ring and tested again. No leaks were found.

Journeyman 6 @ 31.00

Journeyman 1 @ 44.25

Material: Cut keyway in falk coupling hub

28.80

Total: 259.05

- 4) Clean containment areas

Journeyman 2 @ 31.00

Total: 62.00

TOTAL THIS INVOICE

\$886.55

5992

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09/30/2010

PD 000016

HONE: (409) 233-6371

**HERCULES**  
MARINE SERVICES CORPORATION

P. O. Drawer O • Freeport, Texas 77541

INVOICE NO. : 3277-95  
DATE : December 29, 1991  
Job No. : 4926-1  
Location : Freeport

TO: Dixie Carriers  
2101 Broadway  
Houston, TX 77012

PLEASE REMIT PAYMENTS TO:  
11011 RICHMOND  
SUITE 500  
HOUSTON, TX. 77042

PO# BGMG

Terms : Net 30

FOR: Service to DC385 as follows:

Pump out standing water from open void (there was chemical in water).

Labor: Leadman	1	S/T	@	33.50	\$	33.50
Journey	7.5	S/T	@	31.00		232.50
Journey	4	O/T	@	44.25		177.00
Disposal: 8,000 gals.	@	.35/gal.				2,800.00
Equipment: Compressor	4	@		44.00		176.00
3" gas pump	4	@		14.00		56.00
2" strip pump	4	@		12.00		48.00

TOTAL AMOUNT DUE

\$3,523.00

ARRIVED: 12/21/95 2:00 p.m.  
COMPLETED: 12/21/95 6:30 p.m.

5990

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09/30/2010

PD 000017

PHONE: (409) 233-8371



**HERCULES**  
MARINE SERVICES CORPORATION

P. O. Drawer O • Freeport, Texas 77541

INVOICE NO. : 3280-95  
DATE : December 29, 1995  
Job No. : 4930-1  
Location : Freeport

TO: Dixie Linehaul  
7747 Tom Drive  
Baton Rouge, LA 70806

PLEASE REMIT PAYMENTS TO:  
11011 RICHMOND  
SUITE 500  
HOUSTON, TX. 77042

Terms : Net 30

FOR:

Service to M/V Van Port as follows:

Pumped out 1800 gals. @ .50/gal. of oil/water mix out of bilge.	\$900.00
Labor: Leadman 2 S/T @ 33.50	67.00
Journey 2 S/T @ 31.00	62.00
Equipment: Compressor 2 @ 44.00	88.00
2" strip pump 2 @ 12.00	<u>24.00</u>

TOTAL AMOUNT DUE \$1141.00

ARRIVED: 12/28/95 8:30 p.m.  
COMPLETED: 12/28/95 10:30 p.m.

5990 - ✓

DECLASSIFIED  
09/30/2010

PD 000018

PHONE: (409) 233-6371

**HERCULES**  
MARINE SERVICES CORPORATION

P. O. Drawer O • Freeport, Texas 77541

INVOICE NO. : 3285-95

DATE : December 29, 1995

Job No. : 4927-1

Location : Freeport

TO: Dixie Linehaul  
7747 Tom Drive  
Baton Rouge, LA 70806PLEASE REMIT PAYMENTS TO:  
11011 RICHMOND  
SUITE 500  
HOUSTON, TX. 77042

PO#

Terms : Net 30

FOR: Service to TPT111 as follows:

- 1) Pump out 8' water; plug 1" hole, concrete box on plug 8" x 8"

Leadman	3 hr. @	33.50	100.50
Journey	6 hr. @	31.00	186.00
Material: Concrete			2.87
Compressor	3 hr. @	44.00	132.00
3" gas pump	6 hr. @	14.00	84.00
2" strip pump	3 hr. @	12.00	36.00
Total			541.37

- 2) Move barge to center of hardpoint, tied, install safety lights

Journey	3.5 hr. @	31.00	108.50
Total			108.50

TOTAL AMOUNT DUE

\$649.87

5990

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09/30/2010

PD 000019

PHONE: (409) 233-8371

# HERCULES

ARINE SERVICES CORPORATION

O. Drawer O • Freeport, Texas 77541

HERCULES MARINE --- Hercules Offshore

205

INVOICE NO. 3715

DATE Jan. 2, 1997

Job No. 1-5350

Location Freeport, TX

Sarnedan  
350 Glenborough, Suite 240  
Houston, TX 77067

PLEASE REMIT PAYMENTS TO:  
11011 RICHMOND  
SUITE 500  
HOUSTON, TX. 77042

Terms : Net 30

R: Service to the Southern River as follows:

Clean out one cement tank; removed six/55 gallon barrels of cement. Clean out two barite tanks; removed a total of twenty five/55 gallon barrels barite. Bagged barite to return to Rig for processing.

LABOR:	Journeyman	43.5 hrs.	@	32.50 (ST)	1,413.75
MATERIAL:		\$85.83	Plus 25%	21.45	107.28
EQUIPMENT:	Air Movers	7 hrs.	@	5.00	35.00
	Truck	2 hrs.	@	25.00	50.00
	Hand Tools	7 hrs.	@	10.00	70.00
TOTAL AMOUNT DUE					\$1676.03

5990 -

DECLASSIFIED  
09/30/2010

PD 000020

NE: (409) 233-6371

# HERCULES

MARINE SERVICES CORPORATION

P. O. Drawer O • Freeport, Texas 77541

HERCULES MARINE 444 HERCULES CORPORA

02

INVOICE NO. 3715  
DATE Jan. 2, 1997  
Job No. 1-5350  
Location Freeport, TX

TO:

Saniedan  
350 Glenborough, Suite 240  
Houston, TX 77067

PLEASE REMIT PAYMENTS TO:  
11011 RICHMOND  
SUITE 500  
HOUSTON, TX. 77042

Terms: Net 30

OR:

Service to the Southern River as follows:

Clean out one cement tank; removed six/55 gallon barrels of cement. Clean out two barite tanks; removed a total of twenty five/55 gallon barrels barite. Bagged barite to return to Rig for processing.

LABOR:	Journeyman	43.5 hrs.	@	32.50 (ST)	1,413.75
MATERIAL:		\$85.83	Plus 25%	21.45	107.28
EQUIPMENT:	Air Movers	7 hrs.	@	5.00	35.00
	Truck	2 hrs.	@	25.00	50.00
	Hand Tools	7 hrs.	@	10.00	70.00
TOTAL AMOUNT DUE					\$1676.03

*Location High Island 578  
Well A-16 side track  
OCSG 2716  
AFE 62792  
428 gm*

DECLASSIFIED  
09/30/2010

PD 000021

ONE: (409) 233-8371

# HERCULES

MARINE SERVICES CORPORATION

P. O. Drawer O • Freeport, Texas 77541

INVOICE NO. : 4087

DATE : December, 1997

Job No. : 12-5720

Location : Freeport, TX

TO: Hercules Offshore Corporation  
11011 Richmond Avenue, Suite 500  
Houston, Texas 77042

PLEASE REMIT PAYMENTS TO:  
11011 RICHMOND  
SUITE 500  
HOUSTON, TX. 77042

Terms : Net 30

FOR: Services to Hercules Offshore as follows:

Cleaning of Offshore yard.  
Disposing of scrap metal, scrap wood, and trash.  
Loading and transporting out of the yard 2 galleys,  
2 bunk houses, 5 large buildings and misc items.

LABOR:	Journeyman	128.5 Hrs.	@	\$33.00/Hr.	4,240.50
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MATERIAL:	\$1,564.78	Plus 10%	@	\$156.47	1,721.25
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TOTAL AMOUNT DUE	\$5,961.75
------------------	------------

*Tom / H*

DECLASSIFIED  
09/30/2010

PD 000022

PHONE: (409) 233-6371

DECLASSIFIED  
09/30/2010

PD 000023

HERCULES MARINE SERVICES

DAILY TIME LOG

DATE: <u>12-1-97</u>	CUSTOMER:
JOB NO: <u>12-5720</u>	BARGE: <u>OFFSHORE</u>

START TIME 8:00 AM

STOP TIME 4:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
<u>Alvin</u>	<u>8</u>				
<u>Reed</u>	<u>8</u>				

MATERIAL LIST:


JOB DESCRIPTION:

Spud Bore up / Picking up all wood + metal  
Beams

SUBMITTED BY: Alvin Reed

DATE: 12-1-97

128.5

## HERCULES MARINE SERVICES

DECLASSIFIED  
09/30/2010

## DAILY TIME LOG

DATE	12-2-92	CUSTOMER	
JOB NO.	12-5720	BARGE	OFFSHORE MAR.

START TIME 8:00 AM

STOP TIME 11:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Wendie	8				
Rinal	8				

## MATERIAL LIST:


## JOB DESCRIPTION:

Load for transport out of the yard 2' Lalleys  
(2) medium size Bunk holes; 5 large ones; build.

SUBMITTED BY:

Wendie Rinal

16

DATE:

12-2-92

HERCULES MARINE SERVICES

DAILY TIME LOG

DATE:	12-2-97	CUSTOMER:	Hercules Offshore
JOB NO:	12-5720	BARGE:	Clean up

START TIME 8:00 AM

STOP TIME 4:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. Pettit	8	8			

MATERIAL LIST:

Rental Cherry Picker - 8 hrs.

JOB DESCRIPTION:

haul out of living quarters

SUBMITTED BY:

*[Signature]*

DATE:

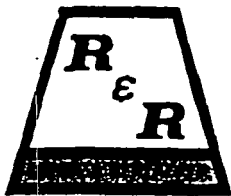
12-2-97

Revised July, 1997

DECLASSIFIED 09/30/2010

PD 000025





# R & R RENTALS, INC.

P.O. BOX 902  
MONT BELVIEU, TX 77580  
(281) 383-2066

DECLASSIFIED  
09/30/2010

—NET 10 DAYS  
TERMS—C.O.D.

ALL PAYMENTS DUE AT MONT BELVIEU, CHAMBER COUNTY, TEXAS. WE RESERVE THE RIGHT TO CHARGE INTEREST AT HIGHEST LEGAL RATE ON CHARGES NOT PAID WITHIN 30 DAYS OF THE DUE DATE.  
F.O.B. POINT UNLESS OTHERWISE INDICATED. EQUIPMENT IS F.O.B. POINT OF ORIGIN AND RETURN TO SAME.

## RENTAL AGREEMENT

HERCULES OFFSHORE  
CUSTOMER NAME  
PO BOX 0  
CUSTOMER MAILING ADDRESS  
MONTBELVIEU TX 77581  
CITY, STATE & ZIP CODE  
TX 77581  
ORDERED BY  
JOHN WILSON  
CUSTOMER ORDER NO.  
TO# 92773  
LOCATION  
HERCULES OFFSHORE

12-2-97  
DATE ORDERED  
12-3-97  
RENTAL BEGINS  
11:00 AM  
RETURNED  
TIME IN  
TIME OUT

EQUIPMENT		HOUR	DAY	WEEK	MONTH	TOTAL
15 TAIL			270	1800	2400	
SAL 1021166						

REMARKS:	TRANSPORTATION IN:	
	TRANSPORTATION OUT:	
	FUEL:	
	INSURANCE:	
	SALES TAX:	
	TOTAL	

\*ALL FLATS ARE CUSTOMER RESPONSIBILITY

FUEL WILL BE CHARGED AT CURRENT MARKET PRICE FOR THE AMOUNT CONSUMED ON RENTAL. MACHINE WILL BE DELIVERED WITH A FULL TANK OF FUEL. YOU WILL BE BACK CHARGED FOR THE AMOUNT CONSUMED UPON RENTAL RETURN.

## RENTAL AGREEMENT

OPERATED AND MAINTAINED RATES are for straight time work, which includes work on weekdays from 8:00 A.M. until 4:30 P.M., excluding Legal Holidays. Any work performed before 8:00 A.M.

or after 4:30 P.M. on weekdays and all work performed on Saturdays, Sundays and Legal Holidays will be charged at the above rates plus \$ \_\_\_\_\_ per man hour.

A MINIMUM CHARGE of five hours will be made on each piece of equipment.

BARE RENTAL RATES are based on 8 hours per day, 40 hours per week. Each hour in excess of above will be billed at 1/40th of the Bare Weekly Rate.

All rented equipment is to be furnished in good operating condition. Acceptance of equipment by Lessee will constitute acknowledgement that equipment is in good, safe and serviceable condition. Lessee assumes full responsibility for erection, use, or operation of said equipment and any claims asserted by any person shall be the responsibility of the lessee who agrees to hold R & R Rentals, Inc. harmless from any such claims. Rented equipment is to be returned in same condition as when received, less normal wear. In event of damage to equipment, rental continues until equipment is put back in serviceable condition acceptable to lessor.

Lessee is fully responsible for equipment including loss, destruction, or damage, whether with or without fault on part of lessee. Lessee agrees to pay R & R Rentals, Inc. for any repairs, or replacements at R & R Rentals, Inc.'s established prices for similar repairs, parts or accessories.

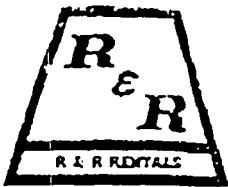
In case of default of any of the terms of this agreement, the R & R Rentals, Inc. their agents and servants, may at its option, enter the premises where said articles are used, or any premises where said articles may be found, and remove same therefrom with notice or demand, and without being guilty of any trespass or wrong. R & R Rentals, Inc. is not liable for any damage because of such removal of articles. The Lessee agrees to pay all expenses incidental to said removal.

Lessee agrees to procure, take out and keep in force and effect during the time that the Lease and Rental Agreement is in effect a policy of insurance covering any injury, damage, or loss to the equipment.

AN ADDITIONAL DAY'S RENTAL WILL BE CHARGED ON MACHINES NOT RELEASED BY 9:00 A.M.

John Wilson Lessee By John Wilson

PD 00003



# R&R RENTALS, INC.

## CRANE INSPECTION SHORT LIST

DECLASSIFIED  
09/30/2010

UNIT# 10466 DATE 12-2-97  
MODEL# 150FA Galion INSPECTOR Pat Cull

WINDOWS ok FUEL Full GALLONS

FIRE EXTINGUISHER ok

GENERAL APPEARANCE Good

TIRES ok

LIGHTS ok

CABLE ok

ELECTRONICS ok

ENGINE ok

CYLINDERS ok

FLUID LEVELS ok

ALARM ok

COMMENTS: Good Shape

PD 000027



HOUSTON  
11820 Highway 146  
Mont Belvieu, TX 77580  
(281) 353-2566  
(281) 576-2300 fax

PORT ARTHUR  
4801 53rd Street  
Port Arthur, TX 77542  
(409) 727-1441  
(409) 953-2514 fax

FREEPORT  
3910 E. Highway 332  
Freeport, TX 77541  
(409) 239-3453  
(409) 235-5523 fax

MONT BELVIEU  
11820 Highway 146  
Mont Belvieu, TX 77580  
(281) 576-2470  
(281) 576-2300 fax



PD 000028

— NET 10 DAYS ☐  
 TERMS — C.O.D. ☐



## R &amp; R RENTALS, INC.

P.O. BOX 902  
 MONT BELVIEU, TX 77580  
 (281) 383-2066

DECLASSIFIED  
 09/30/2010

ALL PAYMENTS DUE AT MONT BELVIEU, CHAMBERS COUNTY, TEXAS. WE RESERVE THE RIGHT TO CHARGE INTEREST, AT HIGHEST LEGAL RATE ON CHARGES NOT PAID WITHIN 30 DAYS OF THE DUE DATE.

F. O. B. POINT UNLESS OTHERWISE INDICATED. EQUIPMENT IS F. O. B. POINT OF ORIGIN AND RETURN TO SAME.

Uppin Off-hole  
 CUSTOMER NAME PO BOX 0  
 CUSTOMER MAILING ADDRESS DIACAL TX 77541  
 CITY, STATE & ZIP CODE SAN TX 77541  
 ORDERED BY TO#92773 CUSTOMER ORDER NO.

12-29-77  
 DATE ORDERED 12-3-77  
 RENTAL BEGINS 12-3-77  
 RETURNED 11:00 AM TIME IN 11:00 AM TIME OUT

## TERMS: NET 10 DAYS

WE RESERVE THE RIGHT TO CHARGE INTEREST AT HIGHEST LEGAL RATE, ON CHARGES NOT PAID WITHIN 30 DAYS OF THE DUE DATE. F.O.B. POINT UNLESS OTHERWISE INDICATED. EQUIPMENT IS F.O.B. POINT OF ORIGIN AND RETURN TO SAME.

RELEASE

EQUIPMENT	UNIT NOS.	DAY	WEEK	MONTH
15 TOR		770	800	7000
SAL 10000				
GLASS OK				
BLOCK OK				
FUEL				
BALL OK				
CABLE OK				
JIB OK				
FIRE EXTINGUISHER OK				

\*ALL FLATS ARE CUSTOMER RESPONSIBILITY

FUEL WILL BE CHARGED AT CURRENT MARKET PRICE FOR THE AMOUNT CONSUMED ON RENTAL. MACHINE WILL BE DELIVERED WITH A FULL TANK OF FUEL. YOU WILL BE BACK CHARGED FOR THE AMOUNT CONSUMED UPON RENTAL RETURN.

## RENTAL AGREEMENT

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A MINIMUM CHARGE of five hours will be made on each piece of equipment.

BARE RENTAL RATES are based on 8 hours per day, 40 hours per week. Each hour in excess of above will be billed at 1/40th of the Bare Weekly Rate.

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Lessee is fully responsible for equipment including loss, destruction, or damage, whether with or without fault on part of lessee. Lessee agrees to pay R & R Rentals, Inc. for any repairs, or replacements R & R Rentals, Inc.'s established prices for similar repairs, parts or accessories.

In case of default of any of the terms of this agreement, the R & R Rentals, Inc., their agents and servants, may at its option, enter the premises where said articles are used, or any premises where said articles may be found, and remove same therefrom, with notice or demand, and without being guilty of any trespass or wrong. R & R Rentals, Inc. is not liable for any damage because of such removal of articles. The Lessee agrees to pay all expenses incidental to said removal.

Lessee agrees to procure, take out and keep in force and effect during the time that the Lease and Rental Agreement is in effect a policy of insurance covering any injury, damage, or loss to the equipment.

AN ADDITIONAL DAY'S RENTAL WILL BE CHARGED ON MACHINES NOT RELEASED BY 9:00 A.M.

Lessee By

S. H. H.

## DAILY TIME LOG

DATE:	12-3-97	CUSTOMER:	Hercules Offshore
JOB NO:	12-5720	BARGE:	Yard Cleanup Project

START TIME 8:00 AMSTOP TIME 4:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R. S. <del>Staff</del>	<del>5</del>	8			

## MATERIAL LIST:

Crane Picker

## JOB DESCRIPTION:

Moving beams, Pickup trash and Scrap Metal  
and put in dumpsters

SUBMITTED BY:

Sam Kelly

DATE:

12-3-97

## DAILY TIME LOG

DATE:	<u>12-3-97</u>	CUSTOMER:	
JOB NO:		BARGE:	<u>OFF-SHORE RIG</u>

START TIME 2:00 AMSTOP TIME 11:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
<u>CLAUDIO DUARTE</u>	<u>8</u>				
<u>JUAN RIVERA</u>	<u>8</u>				

## MATERIAL LIST:

## JOB DESCRIPTION:

Good clean up. Picking up all scrap iron

SUBMITTED BY:

[Signature]

DATE:

12-3-97

## HERCULES MARINE SERVICES

## DAILY TIME LOG

DATE:	12-9-97	CUSTOMER:	Hercules Offshore
JOB NO:	12-5720	BARGE:	yard Services

START TIME 9:00 AM

STOP TIME 11:00 AM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. Petit	2	2			

## MATERIAL LIST:

Use Crane 1 hr.

## JOB DESCRIPTION:

Load two trucks - (Leasing Transportation, Inc) -  
1 - Single BOP w/Rams  
1 - Double BOP w/Rams

SUBMITTED BY: Sam Petit

DATE: 12-9-97

Revised July, 1997

DECLASSIFIED 09/30/2010

PD 000031



ICC - 149296 RRC - 6990  
STRAIGHT BILL OF LADING



17463 IH 45 NORTH • WILLIS, TEXAS 77378  
PHONE - (409) 344-2440 • WATS 1-800-231-4517

COMP NO.

SHIPPER NO.

DATE

FROM: Shipper HERCULES MACHINE TO: Consignee VALCON HYDRILL  
Street \_\_\_\_\_ Street \_\_\_\_\_  
Origin FREEPORT TX Zip Code \_\_\_\_\_ Destination HOUSTON TX Zip Code \_\_\_\_\_

No. Shipping Units	Kind of Packaging, Description of Articles, Special Marks and Exceptions	Weight (Subject to Correction)	DETENTION TIME	
			START	FINISH
1	ROCKLE BOP W/ARMS			

EXTRA STOPS

1.

2.

RECONSIGNMENT

1.

PER

x RECEIVED BY:

FREIGHT CHARGE

EXCLUSIVE USE ☐HOT SHOT ☐PERMIT ☐ESCORT ☐☐ PREPAID

Subject to Section 7 of the conditions, this shipment is to be delivered to the consignee without recourse to the consignor. The consignor shall sign the following statement:  
The carrier shall not make delivery of this shipment without payment of freight and at one unit charge.

COD

COLLECT FREIGHT CHARGES

☒ COLLECT

(Signature of Consignor)

Amt: \$

Amt: \$

☐ THIRD PARTY BILLING

RECEIVED, subject to the classifications and tariffs in effect on the date of the issue of this Bill of Lading, the property described above in apparent good order, except as noted (contents and condition of contents of packs unknown), marked, consigned, and destined as indicated above which said carrier (the word carrier being understood throughout this contract as meaning any person or corporation in possession of the property under contract) agrees to carry to its usual place of delivery at said destination, if on its route, otherwise to deliver to another carrier on the route to said destination. It is mutually agreed as to each carrier of all or any of said property over all or any portion of said route to destination as to each party at any time interested in all or any of said property that every service to be performed hereunder shall be subject to all the bill of lading terms and conditions in the governing classification on the date of shipment.

Shipper hereby certifies that he is familiar with all the bill of lading terms and conditions in the governing classification and the said terms and conditions are hereby agreed to by the shipper and accepted for himself, his assigns.

TRIP NO.	DRIVER NAME	TRUCK NO.	TRAILER NO.
PICK UP DRIVER	MIKE WILSON 793	2741	416
LINE HAUL DRIVER			
DELIVERY DRIVER			

ORIGINAL

1

DECLASSIFIED  
09/30/2010

PD 000033



\_\_\_\_\_



SHIPPER NO.

12997  
DATE

TO: ALCOW HYDRILL  
Consignee

Street \_\_\_\_\_  
Destination HOUSTON TX Zip Code \_\_\_\_\_

No. Shipping Units	Kind of Packaging, Description of Articles, Special Marks and Exceptions	Weight (Subject to Collection)	DETENTION TIME	
			START	FINISH
1	B O P	17000		
			EXTRA STOPS	
			1.	
			2.	
			RECONSIGNMENT	
			1.	
			PER	
x RECEIVED BY:			FREIGHT CHARGE:	
EXCLUSIVE USE <input type="checkbox"/>	HOT SHOT <input type="checkbox"/>	PERMIT <input type="checkbox"/>	<input type="checkbox"/> PREPAID <input checked="" type="checkbox"/> COLLECT <input type="checkbox"/> THIRD PARTY BILLIN	
<small>Subject to Section 7 of the conditions, if this shipment is to be delivered to the consignee without recourse on the consignee, the consignor shall sign the following statement: The carrier shall not make delivery of this shipment without payment of freight and all other lawful charges.</small>		COD	COLLECT FREIGHT CHARGES	
(Signature of Consignor)		Amt: \$	Amt: \$	

RECEIVED, subject to the classifications and tariffs in effect on the date of the issue of this Bill of Lading, the property described above in apparent good order, except as noted (contents and condition of contents of package unknown), marked, consigned, and destined as indicated above which said carrier (the word carrier being understood throughout this contract as meaning any person or corporation in possession of the property under contract) agrees to carry to its usual place of delivery at said destination, if on its route, otherwise to deliver to another carrier on the route to said destination. It is mutually agreed as to each carrier of all or any of said property over all or any portion of said route to destination as to each party at any time interested in all or any of said property that every service to be performed hereunder shall be subject to all the bill of lading terms and conditions in the governing classification on the date of shipment.

Shipper hereby certifies that he is familiar with all the Bill of lading terms and conditions in the governing classification and the said terms and conditions are hereby agreed to by the shipper and accepted for himself and his assigns.

TRIP NO.	DRIVER NAME	TRUCK NO.	TRAILER NO.
PICK UP DRIVER	Dennis 487	260	A
LINE HAUL DRIVER			
DELIVERY DRIVER			

1

PD 000034

HERCULES MARINE SERVICES

DAILY TIME LOG

DATE:	12-17-97	CUSTOMER:	Hercules Offshore
JOB NO:	12-5720	BOAT:	Harold

START TIME 8:00 AM

STOP TIME 4:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
SK	8	8			

MATERIAL LIST:

Use Dorer D31E

JOB DESCRIPTION:

Harold Clean Up

SUBMITTED BY:

*[Signature]*

DATE:

12-17-97

Revised July, 1997

DECLASSIFIED 09/30/2010

PD 000035

DECLASSIFIED  
09/30/2010

HERCULES MARINE SERVICES

# DAILY TIME LOG

DATE:	12-19-97	CUSTOMER:	Hercules Marine
JOB NO:		BARGE:	Yard Services

START TIME 7:00 AM

STOP TIME 3:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Rivera, Juan	8				
Claudio	6				

MATERIAL LIST:


JOB DESCRIPTION:

Assist Claudio in picking all debris off yard (trash).

SUBMITTED BY: J. Rivera

Revised July, 1997

DATE: 12-19-97

PD 000036

## HERCULES MARINE SERVICES

## DAILY TIME LOG

DATE:	12-19-97	CUSTOMER:	Hercules Offshore
JOB NO:	12-5720	BARGE:	Yard Clean Up

START TIME 7:00 AMSTOP TIME 4:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
D.S. Pettit	<del>8</del> <sup>1</sup>	9			

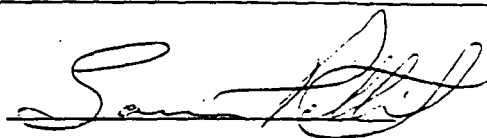
## MATERIAL LIST:

Dzer used 9 hrs

## JOB DESCRIPTION:

Dress up yard

SUBMITTED BY:



DATE:

12-19-97

Revised July, 1997

DECLASSIFIED 09/30/2010

PD 000037

DECLASSIFIED  
09/30/2010

HERCULES MARINE SERVICES

DAILY TIME LOG

DATE:	12-20-97	CUSTOMER:	Hercules Marine Service
JOB NO:		BOAT:	Yard Service
START TIME 8:00 am.		STOP TIME 1:30 pm.	

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Livers, Juan	5				

MATERIAL LIST:


JOB DESCRIPTION:

Assist ~~from~~ (Bulldozer) by moving wood & metal out off Loggers path.

SUBMITTED BY:

*J. Livers*

DATE:

12-20-97

DECLASSIFIED  
09/30/2010

HERCULES MARINE SERVICES

DAILY TIME LOG

DATE:	12-20-97	CUSTOMER:	Hercules Offshore
JOB NO:	12-5720	BARGE:	Yard Clean Up

START TIME 8:00 AM

STOP TIME 11:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. [Signature]	5	5			

MATERIAL LIST:

Dozer - 5 hrs

JOB DESCRIPTION:

Dress up yard

SUBMITTED BY:

[Signature]

DATE:

12-20-97

DECLASSIFIED  
09/30/2010

HERCULES MARINE SERVICES

# DAILY TIME LOG

DATE:	12-22-97	CUSTOMER:	Hercules
JOB NO:	12-220	BARGE:	yard

START TIME \_\_\_\_\_

STOP TIME \_\_\_\_\_

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R. S. [Signature]	1	9			

## MATERIAL LIST:

Digger - 9 hrs

## JOB DESCRIPTION:

Dress up yard

SUBMITTED BY:

[Signature]

9

DATE:

12-22-97

DECLASSIFIED  
09/30/2010

HERCULES MARINE SERVICES

DAILY TIME LOG

DATE:	12-23-97	CUSTOMER:	Hercules
JOB NO:	12-5720	BARGE:	Yard

START TIME 7:00 AM

STOP TIME 4:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. Hitt	9	9			

MATERIAL LIST:

Use Dazer - 9 hrs

JOB DESCRIPTION:

dress up yard

SUBMITTED BY:

Sam Hitt

9

DATE: 12-23-97

Revised July, 1997

PD 000041



## DAILY TIME LOG

DATE:	12-24-97	CUSTOMER:	Hercules
JOB NO:	12-5720	BARGE:	yard

START TIME 7:00 AM

STOP TIME 10:30 AM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
A.S. Pitt	3.5	3.5			

## MATERIAL LIST:

Dozer

## JOB DESCRIPTION:

Dress up yard and clean up Dozer  
and Release

SUBMITTED BY:

Sam Pitt

2.5

DATE:

12-24-97

12-5720

Yard Cleanup

Dec. '97

PO Number	Date	Vendor Name	Description	Invoice # & Date	Est. Cost	Total Cost	Date Sent to Joni	Billed to Job
92773	12/2	R&L Rentals	15 Ton Cherry Picker 270 <sup>00</sup> per day	30151 12/11/97		302 <sup>28</sup>		
92796	12/16	Acce Supply AMR	Dozer - 645 <sup>00</sup> Jack. Ditch #28 chunk 45"		710 <sup>00</sup>			
		Waste management	1 Pickup		300 <sup>00</sup>			
					<del>1131.28</del>			
					1040.00			
					252.50			
					1262.50			
					302.28			
					1564.78			

# HERCULES

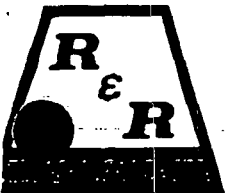
MARINE SERVICES CORPORATION

## PURCHASE ORDER

JOB NO. <b>12-5720</b>		DATE <b>12-2-97</b>		REQ NO.		P.M. NO. <b>12-5720-92773</b>				
DATE MATERIAL REQ'D				PREPARED BY. <b>D Peters</b>		VENDOR <b>R.E.R. Rentals, Inc.</b>				
NOTIFY.				DELIVER TO.		TERMS				
REQUIRED FOR <b>Yard Cleanup</b>						F.O.B.				
DATE RECEIVED 1		DATE RECEIVED 2		DATE RECEIVED 3		VIA				
						SHIP DATE				
ITEM	QUANTITY		SHIP NO.	DESCRIPTION -- FULL DETAIL REQUIRED	COST CODE	UNIT	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST
	ORDERED	RECEIVED								
1				15 Ton Cherry Picker						
2				Rental 270 <sup>00</sup> day						
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										
14										
RECEIVED BY:				APPROVED BY		TOTALS				
DATE RECEIVED				APPROVED BY		BUYER / DATE				

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09/30/201  
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PD 000044



R & R RENTALS, INC.

P.O. BOX 902  
MONT BELVIEU, TX 77580  
(281) 383-2066

DECLASSIFIED  
09/30/2010

—NET 10 DAYS  
TERMS—C.O.D.

ALL PAYMENTS DUE AT MONT BELVIEU, CHAMBERS COUNTY, TEXAS. WE RESERVE THE RIGHT TO CHARGE INTEREST, AT HIGHEST LEGAL RATE ON CHARGES NOT PAID WITHIN 30 DAYS OF THE DUE DATE.

F.O.B. POINT UNLESS OTHERWISE INDICATED. EQUIPMENT IS F.O.B. POINT OF ORIGIN AND RETURN TO SAME.

RENTAL AGREEMENT

CUSTOMER NAME: MC BOX 0  
CUSTOMER MAILING ADDRESS: MONT BELVIEU TX 77580  
CITY, STATE & ZIP CODE: TX 77580  
ORDERED BY: Sam CUSTOMER ORDER NO.: TO# 92773  
LOCATION: Mont Belvieu

DATE ORDERED: 12-2-97  
RENTAL BEGINS: 12-3-97  
RETURNED: 11:00 AM  
TIME IN: 11:00 AM TIME OUT: 11:00 AM

EQUIPMENT	HOUR	DAY	WEEK	MONTH	TOTAL
15 TAIL	270	800	2400		
S/L 10/2/96					

GENERAL CONDITION	TIRES	CABLE	CAB	BLOCK/BALL	JIB	GLASS

REMARKS:	TRANSPORTATION IN:	<u>5</u>
	TRANSPORTATION OUT:	<u>5</u>
	FUEL:	
	INSURANCE:	
	SALES TAX:	
	TOTAL	

\*ALL FLATS ARE CUSTOMER RESPONSIBILITY

FUEL WILL BE CHARGED AT CURRENT MARKET PRICE FOR THE AMOUNT CONSUMED ON RENTAL. MACHINE WILL BE DELIVERED WITH A FULL TANK OF FUEL. YOU WILL BE BACK CHARGED FOR THE AMOUNT CONSUMED UPON RENTAL RETURN.

RENTAL AGREEMENT

OPERATED AND MAINTAINED RATES are for straight time work, which includes work on weekdays from 8:00 A.M. until 4:30 P.M., excluding Legal Holidays. Any work performed before 8:00 A.M.

or after 4:30 P.M. on weekdays and all work performed on Saturdays, Sundays and Legal Holidays will be charged at the above rates plus \$ \_\_\_\_\_ per man hour.

A MINIMUM CHARGE of five hours will be made on each piece of equipment.

BASE RENTAL RATES are based on 8 hours per day, 40 hours per week. Each hour in excess of above will be billed at 1/4th of the Base Weekly Rate.

All rented equipment is to be furnished in good operating condition. Acceptance of equipment by Lessee will constitute acknowledgement that equipment is in good, safe and serviceable condition. Lessee assumes full responsibility for erection, use, or operation of said equipment and any claims asserted by any person shall be the responsibility of the lessee who agrees to hold R & R Rentals, Inc. harmless from all such claims. Rented equipment is to be returned in same condition as when received, less normal wear. In event of damage to equipment, rental continues until equipment is put back in serviceable condition acceptable to lessor.

Lessee is fully responsible for equipment including loss, destruction, or damage, whether with or without fault on part of lessee. Lessee agrees to pay R & R Rentals, Inc. for any repairs, or replacements at R & R Rentals, Inc.'s established prices for similar repairs, parts or accessories.

In case of default or any of the terms of this agreement, the R & R Rentals, Inc. their agents and servants, may at its option, enter the premises where said articles are used, or any premises where said articles may be found, and remove same therefrom with notice or demand, and without being guilty of any trespass or wrong. R & R Rentals, Inc. is not liable for any damage because of such removal of articles. The Lessee agrees to pay all expenses incidental to said removal.

Lessee agrees to procure, take out and keep in force and effect during the time that the Lease and Rental Agreement is in effect a policy of Insurance covering any injury, damage, or loss to the equipment.

AN ADDITIONAL DAY'S RENTAL WILL BE CHARGED ON MACHINES NOT RELEASED BY 9:00 A.M.

Lessee

By

Sam

PD 000045

# HERCULES

MARINE SERVICES CORPORATION

## PURCHASE ORDER

POB <b>12-5720</b>	DATE <b>12-16-97</b>	REQ NO
DATE MATERIAL REQ'D		PREPARED BY <b>EPeters</b>
NOTIFY		DELIVER TO

REQUIRED FOR <b>Offshore - Yard Cleanup</b>		
DATE RECEIVED 1	DATE RECEIVED 2	DATE RECEIVED 3

P.M. NO.	<b>12-5720-92796</b>
VENDOR	<b>Accsupply/AMR</b>
TERMS	
F.O.B.	
VIA	
SHIP DATE	

ITEM	QUANTITY		SHIP NO.	DESCRIPTION -- FURT DETAIL REQUIRED	COST CODE		UNIT	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST
	ORDERED	RECEIVED									
1				<b>Doyer</b>				<b>645.00</b>			
2				<b>Del. Chg.</b>					<b>20.00</b>		
3											
4											
5											
6											
7											
8											
9											
10											
11											
12											
13											
14											

RECEIVED BY	APPROVED BY
DATE RECEIVED	APPROVED BY

TOTALS					
BUYER	DATE				

DECLASSIFIED  
09/30/2010

PD 000046

# American Machinery Rentals, Inc.

**FREEPORT BRANCH**  
2211 BRAZOSPORT BLVD.  
FREEPORT, TX 77541  
PHONE (409) 233-8645

**AMR**  
RENTALS-SALES-SERVICE

**HOUSTON BRANCH**  
5925 FM 518  
PEARLAND, TX 77581  
PHONE (281) 997-2501

**RENTAL CONTRACT**  
**CUSTOMER DELIVERY RECEIPT**

**24 HOUR SERVICE**

RELEASE DATE	PICKUP DATE
--------------	-------------

S  
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ACE SUPPLY, INC  
P.O. BOX 91403

LAFAYETTE LA 70509

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T  
O

RENTAL WORKSHEET - CONFIRMED

ORDERED BY SAM  
HERCULES

PAGE: 1 \*\*\*\*\* REPRINT \*\*\*\*\*

DOC : 115600  
Date: 17-DEC-97  
Cust: 00112  
Br : 01 S/C: a  
PO# : 12-57202706

TIME  
ENTERED BY  
8:56 AM  
17-Dec-97  
KIRK

QTY	EQUIP NO.	SERIAL NO.	DESCRIPTION	CONTRACT #	SINGLE DAY	SHIFT	RATE	EXTENSION
			DATE OUT: 17-DEC-97	DUE IN: 17-JAN-98	VIA :			
1	D31E-001	42101	TRACK DOZER D31E 6-WAY CHECK THE FLUIDS AND GREASE UNIT EVERY 8 HOURS. SERVICE UNIT EVERY 150 HOURS OF OPERATION. CUSTOMER IS RESPONSIBLE FOR RETURNING DOZER CLEAN OR BE CHARGED \$45 PER HOUR FOR CLEAN UP. Hrs Out: 002372 In: Net:		215	645	1936	
			DL DELIVERY CHARGE				20.00	20.00
			DW INSURANCE WAIVER					
			TX SALES TAX					

DRIVER LIC. NO.

TAG NO.

CUSTOMER RESPONSIBLE FOR ROUTINE MAINTENANCE

TOTAL AMOUNT

REC'D BY

RETURNED BY

ALL PAYMENTS DUE AT FREEPORT, BRAZORIA  
COUNTY, TEXAS. WE RESERVE THE RIGHT TO  
CHARGE INTEREST AT HIGHEST LEGAL RATE ON  
CHARGES DUE NOT PAID WITHIN 30 DAYS OF DUE DATE.

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09/30/201  
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PD 000047



# Waste Management of Southeast Texas

103 Pender Drive  
Angleton, TX 77515  
(409) 849-7763 or (800) 848-3796  
FAX: (409) 849-8161

PO#

287972

## SERVICE TICKET AGREEMENT/ NON-HAZARDOUS WASTES

DIVISION NUMBER 453453 ACCOUNT NUMBER 0874859 SERVICE TYPE AR

CUSTOMER HERCULES MARINE SERVICES

ADDRESS 906 MARLIN AVENUE

CITY FREEPORT 77541

ORDER NUMBER	137107	SERVICE DATE	12/24/97
START TIME	7:30	END TIME	7:39
ROUTE ID	194	DISPOSAL	
SIGNATURE	REQUIRED	CODE	

ACTION	ORD QTY	SERVICE DESCRIPTION	WASTE TYPE	BILL CODE	MEASURE	BILL QUANTITY	AMOUNT
NR	1	40RLW 40 YD CONTAINER - W		740	LY		
				511	EA		

### COMMENTS

No Bx Num

SERVICES ACCEPTED SUBJECT TO THE TERMS AND CONDITIONS ON THE REVERSE SIDE AND PAYMENT AGREED TO BE MADE IN ACCORDANCE WITH THE CONTRACTOR'S CURRENT RATE SCHEDULE.

CUSTOMER SIGNATURE *[Signature]*

CONTRACTOR SIGNATURE

CIMS-0038T (10/90) WHITE - OFFICE YELLOW - CUSTOMER PINK - CONTROL

Printed on recycled paper

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09/30/2010



# HERCULES

MARINE SERVICES CORPORATION

P. O. Drawer O • Freeport, Texas 77541

INVOICE NO. : 4075  
DATE : Nov. 1, 1997  
Job No. : 11-5708  
Location : Freeport, TX

TO: Hercules Offshore Corporation  
11011 Richmond Avenue, Suite 500  
Houston, Texas 77042

PLEASE REMIT PAYMENTS TO:  
11011 RICHMOND  
SUITE 500  
HOUSTON, TX. 77042

Terms : Net 30

FOR: Services to Hercules Offshore as follows:

Clearing of Offshore Yard.  
Disposing of Scrap Metal, trash and scrap wood.

LABOR:	Journeyman	649.5 Hrs.	@	\$33.00/Hr.	\$ 21,433.50
MATERIAL:	\$5,140.92	Plus 10%	@	\$514.09	\$ 5,655.01

TOTAL AMOUNT DUE \$ 27,088.51

*Tom H*

DECLASSIFIED 09/30/2010

PHONE: (409) 233-6371

PD 000049



## HERCULES MARINE SERVICES

## DAILY TIME LOG

DATE:	11-2-97	CUSTOMER:	Hercules Offshore
JOB NO:	11-5708	BARGE:	Offshore Yard Cleaning Proj

START TIME 7:45 AM

STOP TIME 4:15 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. Pettif	2	2			

## MATERIAL LIST:

2450 Crane

## JOB DESCRIPTION:

Loading trucks with Crew building

ENTERED BY:

San Pettif

2

DATE:

11-2-97

Revised July, 1997

DECLASSIFIED  
09/30/2010

PD 000050

## HERCULES MARINE SERVICES

## DAILY TIME LOG

DATE:	11-3-92	CUSTOMER:	
JOB NO:	11-5708	DARGE:	OFFSHORE YARD.

START TIME 8:00 AM

STOP TIME 4:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Blanchard	8				
Conner	4				
Quintana	8				
Cruz	8				
Reiner	8				

## MATERIAL LIST:


## JOB DESCRIPTION:

CHASSIS P. A/H.C.

SUBMITTED BY:

Blanchard 34

DATE: 11-3-92

DAILY TIME LOG

DATE:	11-4-97	CUSTOMER:	Hercules Offshore
JOB NO:	11-5708	BARGE:	Yard Clean Up Project

START TIME 12:30 PM

STOP TIME 4:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
P. S. Pettit	4	4			

MATERIAL LIST:

Cherry Picker - 4 hrs

JOB DESCRIPTION:

Clean Up - Filling dumpster, moving beams

REVIEWED BY:

*Sam Pettit*

DATE:

11-4-97

# DAILY TIME LOG

DATE:	11-4-97	CUSTOMER:	HERCULES MARINE
JOB NO:	11-5708	BARGE:	YARD

START TIME \_\_\_\_\_

STOP TIME \_\_\_\_\_

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
DANIEL HERNANDEZ	8				
DOMINIC GUEL	8				

MATERIAL LIST:

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JOB DESCRIPTION:

CLEAN YARD

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SUBMITTED BY:

*(Signature)*

DATE:

11-4-97

Revised July, 1997

PD 000053

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09/30/2010

PD 000054

HERCULES MARINE SERVICES

DAILY TIME LOG

DATE:	<u>11-11-92</u>	CUSTOMER:	
JOB NO:	<u>11-5708</u>	BOAT:	<u>OFFSHORE HAND.</u>

START TIME 8:00 AM

STOP TIME 4:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
<u>Alonso</u>	<u>8</u>				
<u>Carson</u>	<u>8</u>				
<u>Benjamin</u>	<u>8</u>				
<u>Paul</u>	<u>8</u>				
<u>Reiner</u>	<u>4</u>				

MATERIAL LIST:


JOB DESCRIPTION:

<u>Offshore Hand.</u>

SUBMITTED BY: Charles Costa 34

DATE: 11-11-92

## DAILY TIME LOG

DATE:	11-5-97	CUSTOMER:	Hercules Offshore
JOB NO:	11-5708	BOAT:	Offshore Cleaning Project of yard
START TIME	8:00 AM	STOP TIME	4:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. Pettit	8	8			

## MATERIAL LIST:

Use Cherry Picker & front End Loader

## JOB DESCRIPTION:

loading dumpsters

SUBMITTED BY:



DATE:

11-5-97

## HERCULES MARINE SERVICES

## DAILY TIME LOG

DATE:	11-5-92	CUSTOMER:	
JOB NO:	11-5708	BARGE:	CEFS 120x3 4 hrs

START TIME 9:00 AM

STOP TIME 11:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Ward	8				
Chen	8				
Ward	8				
Chen	8				
Ward	8				

## MATERIAL LIST:


## JOB DESCRIPTION:

2nd Plan up / Pick + Dispose of 2nd Plan
Metal + Track Plan up

SUBMITTED BY:

Ward - 40

DATE:

11-5-92

DAILY TIME LOG

DATE:	11-6-97	CUSTOMER:	Hercules Offshore
JOB NO:	11-5708	BOAT:	Yard Cleanup Project

START TIME 12:30 PM

STOP TIME 3:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
P.S. Pettit	3	3			

MATERIAL LIST:

Cherry Picker and front End loader

JOB DESCRIPTION:

Load Dumpster Trash and Scrap metal

SUBMITTED BY:

Sam Pettit

DATE:

11-6-97



## DAILY TIME LOG

DATE:	11-6-97	CUSTOMER:	Hercules Offshore
JOB NO:	11-5708	BARGE:	Yard Clean Up Project
START TIME	7:30 AM	STOP TIME	4:00 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. Pettit	4	4			

## MATERIAL LIST:

Use Cherry Picker and Front End Loader

## JOB DESCRIPTION:

Loading Dumpsters Metal and Trash

SUBMITTED BY:

Sam Pettit

DATE:

11-6-97

Revised July, 1997

PD 000058

HERCULES MARINE SERVICES

DAILY TIME LOG

DATE:	11-6-97	CUSTOMER:	
JOB NO:	11-5708	BARGE:	OFFSHORE YARD

START TIME 8:00 AM

STOP TIME 11:00 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Shaw	7 1/2				
Quintana	7 1/2				
Cruz	7 1/2				
Vincent	7 1/2				

MATERIAL LIST:

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JOB DESCRIPTION:

Shed off all Loose Metal (Cutting and up into  
Dumpster), also shed out all (trash) (Hard Work up)

SUBMITTED BY: Alfredo Escobar 30

DATE: 11-6-97

# DAILY TIME LOG

DATE:	11-06-97	CUSTOMER:	HERCULES OFFSHORE
JOB NO:	11-5708	BARGE:	YARD

START TIME \_\_\_\_\_ STOP TIME \_\_\_\_\_

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
DANIEL HERNANDEZ	4.5	4.5			
DOMINGO GUEL	8	8			

MATERIAL LIST:

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JOB DESCRIPTION:

CLEAN YARD

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SUBMITTED BY: *[Signature]*

DATE: 11-06-97

Revised July, 1997

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PD 000060

175

## DAILY TIME LOG

DATE:	11-7-97	CUSTOMER:	Hercules Offshore
JOB NO:	115708	BARGE:	Yard Cleanup Project
START TIME	8:00 AM	STOP TIME	2:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. Pettit	6	6			

## MATERIAL LIST:

Cherry Picker

## JOB DESCRIPTION:

filling dumpsters and moving beam and Misc.  
in yard

REVIEWED BY:

Sam Pettit

DATE:

11-7-97

# DAILY TIME LOG

DATE:	11-07-97	CUSTOMER:	HERCULES OFFSHORE
JOB NO:	11-5708	BARGE:	YARD

START TIME \_\_\_\_\_ STOP TIME \_\_\_\_\_

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Domingo Goss	6	6			

MATERIAL LIST:

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JOB DESCRIPTION:

CLEAN YARD

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SUBMITTED BY:

*Paul H.*

DATE:

11-07-97

Revised July, 1997

DECLASSIFIED  
09/30/2010

PD 000062

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09/30/2010

PD 000063

HERCULES MARINE SERVICES

DAILY TIME LOG

DATE:	11-7-97	CUSTOMER:	Hercules College
JOB NO:	11-5708	BOAT:	Yard Barge

START TIME 8:00 AM

STOP TIME 2:30

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Murphy	6				
Cox	6				
Quinton	6				
River	6				

MATERIAL LIST:


JOB DESCRIPTION:

Yard Barge up / Haul Logs - Down & Back

SUBMITTED BY:

Phyllis M. Smith

24

DATE: 11-7-97

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09/30/2010

PD 000064

## HERCULES MARINE SERVICES

# DAILY TIME LOG

DATE:	11-10-97	CUSTOMER:	
JOB NO:	11-5708	BARGE:	OFFSHORE HAND.

START TIME 07:50 AM

STOP TIME 1:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
P. L. L. L.	8				
C. L. L. L.	8				
C. L. L. L.	8				
P. L. L. L.	8				
C. L. L. L.	8				

MATERIAL LIST:

\_\_\_\_\_

**JOB DESCRIPTION:**

Upset him up / Pick up old - 50000 - 10000  
and back Pick up.

SUBMITTED BY:

Charles G. Burt.

DATE: 11-10-82

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09/30/2010

PD 000065

HERCULES MARINE SERVICES

DAILY TIME LOG

DATE:	11-10-97	CUSTOMER:	HERCULES OFFSHORE
JOB NO:	11-5708	BARGE:	YARD

START TIME \_\_\_\_\_

STOP TIME \_\_\_\_\_

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
DOMINGO GUEL	8	8			
DANIEL HERNANDEZ	8	8			

MATERIAL LIST:


JOB DESCRIPTION:

CLEAN YARD

SUBMITTED BY: Paul Kelly

DATE: 11-10-97



## HERCULES MARINE SERVICES

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09/30/2010

## DAILY TIME LOG

DATE:	11-11-97	CUSTOMER:	HERCULES Offshore
JOB NO:	11-5708	BARGE:	YARD

START TIME \_\_\_\_\_

STOP TIME \_\_\_\_\_

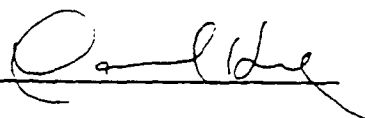
NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
DANIEL HERNANDEZ	7.5				
Domingo GUEL	7.5				

MATERIAL LIST:


JOB DESCRIPTION:

CLEAN YARD

SUBMITTED BY:



DATE:

11-11-97

## DAILY TIME LOG

DATE:	11-11-97	CUSTOMER:	Hercules Offshore
JOB NO:	11-5708	BARGE:	Yard Cleanup Project

START TIME 2:30 AMSTOP TIME 4:00 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
P.S. Hitt	8	8			

MATERIAL LIST:

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JOB DESCRIPTION:

Filling dumpsters and moving material in yard

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INITIATED BY:

Sam [Signature]

DATE:

11-11-97

## DAILY TIME LOG

START TIME 8:00 AM STOP TIME 4:00 PM

MATERIAL LIST:

11

Good! When - up / Start off all again - now, ahead, back.  
Get out.

SUBMITTED BY: Abdullah Alim 30

DATE: 11-11-73

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## HERCULES MARINE SERVICES

## DAILY TIME LOG

DATE:	<u>11-12-97</u>	CUSTOMER:	
JOB NO:	<u>11-5708</u>	CHARGE:	<u>OFFSHORE P.Y.A.D.</u>

START TIME 8:00 AMSTOP TIME 3:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
<u>Plumber</u>	<u>7</u>				
<u>Painter</u>	<u>2</u>				
<u>Electrician</u>	<u>2</u>				
<u>Carpenter</u>	<u>2</u>				

MATERIAL LIST:

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JOB DESCRIPTION:

Fixed blow-up / Fixed off all camp down  
and camp used.

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SUBMITTED BY: Thomas A. Evans

28

DATE: 11-12-97

HERCULES MARINE SERVICES

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## DAILY TIME LOG

DATE:	11-12-97	CUSTOMER:	HERCULES OIL SERVICE
JOB NO:	11-5708	BARGE:	YARD CLEAN UP

START TIME \_\_\_\_\_

STOP TIME \_\_\_\_\_

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
DANIEL HERNANDEZ	7				
DOMINGO GUEL	7				

MATERIAL LIST:


JOB DESCRIPTION:

YARD CLEAN UP

SUBMITTED BY:

Revised July, 1997

DATE:

11-12-97

14

DAILY TIME LOG

DATE:	11-12-97	CUSTOMER:	Hercules Offshore
JOE NO:	11-5708	BOAT:	Yard Cleanup project

START TIME 8:00 AM

STOP TIME 3:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. Hitt	7	7			

MATERIAL LIST:

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JOB DESCRIPTION:

Filling dumpsters and moving material in yard

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SIGNATURE BY:

*Sam Hitt*

DATE:

11-12-97

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09/30/2010

## HERCULES MARINE SERVICES

## DAILY TIME LOG

DATE:	11-13-92	CUSTOMER:	
JOB NO:	11-5708	BARGE:	OFFSHORE HAND.

START TIME 8:00 AM

STOP TIME 4:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Wheeler	8				
Carson	8				
Simmons	8				
Crab	8				
Pinney	8				

## MATERIAL LIST:

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## JOB DESCRIPTION:

Load 1000 lbs of all items - 1000 +  
Ground for 1000 lbs

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SUBMITTED BY:

Wheeler

40

DATE:

11-13-92

HERCULES MARINE SERVICES

DAILY TIME LOG

DATE:	11-14-97	CUSTOMER:	HERCULES OFFSHORE
JOB NO:	11-5708	BARGE:	YARD CLEAN UP

START TIME \_\_\_\_\_

STOP TIME \_\_\_\_\_

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
DANIEL HERCHNER	7				
DOMINIQUE GUEL	7				

MATERIAL LIST:

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JOB DESCRIPTION:

YARD CLEAN UP

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SUBMITTED BY:

Curtis

14

DATE:

11-14-97



DECLASSIFIED 09/30/2010

DECLASSIFIED 09/30/2010

## HERCULES MARINE SERVICES

## DAILY TIME LOG

DATE:	11-12-97	CUSTOMER:	Hercules
JOB NO:	11-5708	BARGE:	OFFS HERR HAD-D.

START TIME 8:00 AM

STOP TIME 3:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Alvarez	7				
Cruz	7				
Quintero	7				
Cruz	4				
Pineda	7				

## MATERIAL LIST:

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## JOB DESCRIPTION:

Hand Dive-up / Dredging off 211 60000 Lanes  
and Deep Trench. Trench. Trench.

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SUBMITTED BY:

Garcia

DATE:

11-12-97

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09/30/2010

## HERCULES MARINE SERVICES

## DAILY TIME LOG

DATE:	<u>11-17-97</u>	CUSTOMER:	
JOB NO:	<u>11-5708</u>	BARGE:	<u>OFFSHORE #1401</u>

START TIME 7:00 AMSTOP TIME 12:00 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
<u>DUNN</u>	<u>4</u>				
<u>CASAS</u>	<u>4</u>				
<u>Reiser</u>	<u>1</u>				

## MATERIAL LIST:

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## JOB DESCRIPTION:

Head Clean-up / Washing off Barge Wheel Tires, and  
House.

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SUBMITTED BY: Alfredo CuervoDATE: 11-17-97

# DAILY TIME LOG

DECLASSIFIED  
09/30/2010

START TIME \_\_\_\_\_ STOP TIME \_\_\_\_\_

MATERIAL LIST:

[illegible]

YARD CLEAN UP

Carl Huf

16

DATE:

11-17-97

PD 000076

# DAILY TIME LOG

STOP TIME 12:00 PM

Revised July, 1997

DECLASSIFIED 09/30/2010

## HERCULES MARINE SERVICES

## DAILY TIME LOG

DATE:	11-18-97	CUSTOMER:	HERCULES OFFSHORE
JOB NO:	11-5708	BARGE:	"YARD" "CLEAN UP"

START TIME \_\_\_\_\_

STOP TIME \_\_\_\_\_

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
DANIEL HERNANDEZ	5	5			
DOMINGO GUEL	5	5			

MATERIAL LIST:

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JOB DESCRIPTION:

YARD "CLEAN UP"

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SUBMITTED BY:

Paul H. S.

DATE:

11-18-97

10

## HERCULES MARINE SERVICES

DECLASSIFIED  
09/30/2010

## DAILY TIME LOG

DATE: 11-19-97 CUSTOMER: Hercules  
 JOB NO: 11-5708 ~~CHARGE~~ OFFSHORE Yard Clean Up  
 START TIME 8:00 A.M. STOP TIME 4:30 P.M.

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
<u>Planchin</u>	<u>8</u>				
<u>Chen</u>	<u>8</u>				
<u>Reid</u>	<u>8</u>				

## MATERIAL LIST:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

## JOB DESCRIPTION:

Spred Clean-up / Marine Spray Barriers from Back  
off yard, away from White Water Sprinklers

SUBMITTED BY: Wanda EdwardsDATE: 11-19-97

## HERCULES MARINE SERVICES

## DAILY TIME LOG

DECLASSIFIED  
09/30/2010

DATE:	11-20-97	CUSTOMER:	Hercules Offshore
JOB NO:	11-5708	BARGE:	Yard Clean Up

START TIME 8:00 AMSTOP TIME 3:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R. S. Pettit	7	7			

## MATERIAL LIST:

2 Red Cherry Picker - 7 hrs

\_\_\_\_\_

\_\_\_\_\_

## JOB DESCRIPTION:

filling trash dumpster

\_\_\_\_\_

\_\_\_\_\_

SUBMITTED BY:

Sam Pettit

7

DATE:

11-20-97

HERCULES MARINE SERVICES

## DAILY TIME LOG

DATE	11-20-97	CUSTOMER	
JOB NO.	11-5708	<del>11-5708</del>	OFFSHORE HAND
START TIME	8:00 AM	STOP TIME	3:30 PM

[illegible]

MATERIAL LIST:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**JOB DESCRIPTION:**

Change and growth.

SUBMITTED BY:

DATE: 11-20-82



HERCULES MARINE SERVICES

## DAILY TIME LOG

DECLASSIFIED  
09/30/2010

DATE: <u>11-21-92</u>	CUSTOMER: <u>CFFSHERO HARB.</u>
JOB NO: <u>11-5708</u>	<u>20</u>
START TIME <u>8:00 AM</u>	STOP TIME <u>4:30 PM</u>

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
<u>Alvin</u>	<u>8</u>				
<u>Pin</u>	<u>8</u>				
<u>CASAS</u>	<u>4</u>				

## MATERIAL LIST:

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## JOB DESCRIPTION:

Clean up and HARB.

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SUBMITTED BY: Alvin PinDATE: 11-21-92

## DAILY TIME LOG

START TIME 10:00 AM STOP TIME 4:30 PM[illegible]

**JOB DESCRIPTION:**

Learn. and exp.

SUBMITTED BY:

Charles West

DATE: 11-24-92

HERCULES MARINE SERVICES

DECLASSIFIED  
09/30/2010

## DAILY TIME LOG

DATE:	11-25-97	CUSTOMER:	Hercules Offshore
JOB NO:	11-5708	BOAT:	Hard Clean Up

START TIME 8:00 AM

STOP TIME 4:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
P.S. [Signature]	5	5			

## MATERIAL LIST:

Use Cherry Picker

## JOB DESCRIPTION:

Moving tank and beams

SUBMITTED BY:

[Signature]

DATE:

11-25-97



DECLASSIFIED  
09/30/2010

## HERCULES MARINE SERVICES

## DAILY TIME LOG

DATE:	<u>11-26-97</u>	CUSTOMER:	
JOB NO:	<u>11-5708</u>	BARGE:	<u>OFFSHORE HAND.</u>

START TIME 8:00 AMSTOP TIME 2:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
<u>Placidia</u>	<u>8</u>				
<u>River</u>	<u>8</u>				

## MATERIAL LIST:


## JOB DESCRIPTION:

<u>Lead to mine and. Launch and.</u>
<u>Lead. Blank barrel. Launch and unload at 1st point</u>
<u>by Big Crane</u>

SUBMITTED BY:

Paul M. Scurto

DATE:

11-26-97

DECLASSIFIED  
09/30/2010

HERCULES MARINE SERVICES

PD 000087

# DAILY TIME LOG

DATE:	11-26-97	CUSTOMER:	Hercules Offshore
JOB NO:	11-5708	BARGE:	Yard Clean Up

START TIME 8:00 AM STOP TIME 5:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. Pettit	4 <sup>1</sup>	5			

## MATERIAL LIST:

Use Rental Crane and Cherry Picker

## JOB DESCRIPTION:

Unloading beams, lifting beams onto trucks and  
load BCP onto trailer to move to hard paint (dock area)  
and offload with 100 ton Crane

SUBMITTED BY:

Sam Pettit

DATE:

11-26-97



P.O. BOX 902  
MONT BELVIEU, TX 77580  
(281) 383-2066

TO ATLANTA-FLORIDA DATE 11/1/78  
 LESSOR (OWNER)  
 LOCATION 1000 17th St ORDER NO. \_\_\_\_\_  
 \_\_\_\_\_ JOB NO. \_\_\_\_\_

[illegible]

LESSEE (OWNER)

DISPATCHED BY

RECEIVED AND APPROVED BY





# Waste Management of Southeast Texas

103 Potter Drive  
Angleton, TX 77515  
(409) 849-7763 or (800) 848-3796  
FAX: (409) 849-8161

PO#

287616

## SERVICE TICKET AGREEMENT/NON-HAZARDOUS WASTES

DIVISION NUMBER	453453	ACCOUNT NUMBER	0874839	SERVICE NUMBER	1100000
CUSTOMER	HERCULES MARINE SERVICES				
ADDRESS	906 MARLIN AVENUE				
CITY	FREEPORT	77541			

ORDER NUMBER	133624	SERVICE DATE	11/21/97
TIME IN	12:50	TIME OUT	2:10
ROUTE ID	R02	DISPOSAL ID	MRF
SIGNATURE		DISPOSAL TICKET	100-188
REQUIRED		CDP AMOUNT	

ACTION	DESCRIPTION	WASTE TYPE	BILL CODE	MEASURE	QUANTITY	AMOUNT
RT	1	40RLW 40 YD CONTAINER	W	740	LY	

### COMMENTS

SERVICES ACCEPTED SUBJECT TO THE TERMS AND CONDITIONS ON THE REVERSE SIDE AND PAYMENT AGREED TO BE MADE IN ACCORDANCE WITH THE CONTRACTOR'S CURRENT RATE SCHEDULE.

CUSTOMER SIGNATURE

*Sam Petter*

CONTRACTOR SIGNATURE

*[Signature]*

CIMS-0038T

(10/90)

WHITE - OFFICE

YELLOW - CUSTOMER

PINK - CONTROL

DECLASSIFIED 09/30/2010

PD 000090

*Ylma  
Yard Cleaning  
Nov 5*



**Waste Management of Southeast Texas**

103 Peller Drive  
Angleton, TX 77515  
(409) 849-7763 OR (800) 848-3796  
FAX: (409) 849-8161

238279

**SERVICE TICKET AGREEMENT/NON-HAZARDOUS WASTES**

DIVISION NUMBER	ACCOUNT NUMBER	SERVICE TYPE
CUSTOMER	<i>11020ples</i>	
ADDRESS		
CITY	<i>Seaford</i>	

ORDER NUMBER		SERVICE DATE	
		<i>11-5-97</i>	
TIME IN		TIME OUT	
<i>1204</i>		<i>1:50</i>	
ROUTE ID	DISPOSAL ID.	DISPOSAL TICKET	
<i>194</i>	<i>MRF</i>	<i>101650</i>	
SIGNATURE		COD AMOUNT	

ACTION	ORD QTY	SERVICE DESCRIPTION	WASTE TYPE	BILL CODE	MEASURE	BILL QUANTITY	AMOUNT
<i>1</i>		<i>75 yd</i>					

COMMENTS  
*No P, No more*

SERVICES ACCEPTED SUBJECT TO THE TERMS AND CONDITIONS ON THE REVERSE SIDE AND PAYMENT AGREED TO BE MADE IN ACCORDANCE WITH THE CONTRACTOR'S CURRENT RATE SCHEDULE.

CUSTOMER SIGNATURE *Jimmy*

CONTRACTOR SIGNATURE \_\_\_\_\_

CIMS-0038TBK (10/90)

WHITE - OFFICE

YELLOW - CUSTOMER

PINK - CONTROL

Printed on recycled paper

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09/30/201  
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PD 000091

11-5708

Yard Cleanup

Nov '97

PO Number	Date	Vendor Name	Description	Invoice # & Date	Est. Cost	Total Cost	Date Sent to JONI	Billed to Job
92766	11/25	R&R Rentals	35 ton crane		818 <sup>00</sup>			
	11/30	Waste Management	Dumpster pickup 3 times 200 each		<del>600<sup>00</sup></del> 648 <sup>00</sup>	969 <sup>75</sup>		
					1466 <sup>00</sup>			
			I made a mistake - Waste Management 300 <sup>00</sup> a load 321 <sup>75</sup> diff					
			3740.99					
			+ 321.75					
			412.74					
			1028.18					
			5140.92					

~~11/25/97~~  
~~11/30/97~~  
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~~12/30/97~~

10-5685

## Offshore Yard Cleanup

Oct '97

PO Number	Date	Vendor Name	Description	Invoice # & Date	Est. Cost	Total Cost	Date Sent to JONI	Billed to Job
92669	10/1	Ace Supply AMR	Rental of Digger 645 <sup>00</sup> wk. #35 <sup>00</sup> dol. & Backhoe 645 <sup>00</sup> wk.	0289381(11/1) 0288004(11/2)	16.75 <sup>00</sup> 16.20 <sup>00</sup>	1237 <sup>23</sup> 2591 <sup>71</sup>		1533 <sup>94</sup>
92667	9/30	Ace Supply Oil Patch	500 gal diesel	7481 10/3/97	363 <sup>75</sup>	372 <sup>50</sup>	10/16	8 <sup>75</sup>
92672	10/2	Beach Bait & Sackle	Mosquito spray H cans	145369 10/8/97	199 <sup>6</sup>	21 <sup>51</sup>	10/21	1 <sup>55</sup>
92675	10/3	Dirouards	4 locks	32916 10/30/97	219 <sup>6</sup>	21 <sup>96</sup>		✓
92678	10/3	Ace Supply Anti-liquide	604ygen 2 Acetylene	0288362 11/14/97	195 <sup>54</sup>	213 <sup>54</sup>		18 <sup>00</sup>
92746	10/31	Waste Management	10/22 - Picked up 4 beacons off job in Oct. @ 300 <sup>00</sup> ea. (1 pickup) 10/31 - 1 new box	476-888419 10/31/97	1500 <sup>00</sup>	2262 <sup>75</sup>		762 <sup>75</sup>
								2324 <sup>99</sup>

# HERCULES

MARINE SERVICES CORPORATION

## PURCHASE ORDER

JOB <b>11-5708</b>	DATE <b>11-25-97</b>	REQ NO
DATE MATERIAL REQ'D		PREPARED BY <i>D. Peters</i>
NOTIFY		DELIVER TO
REQUIRED FOR <i>Yard Cleanup</i>		
DATE RECEIVED 1	DATE RECEIVED 2	DATE RECEIVED J

P.M. NO.	<b>11-5708-92766</b>								
VENDOR	<i>R &amp; R Rentals</i>								
TERMS									
F.O.B.									
VIA									
SHIP DATE									
ITEM	QUANTITY ORDERED RECEIVED	SHIP NO.	DESCRIPTION - FULL DETAIL REQUIRED	COST CODE	UNIT	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST
1			<i>35 ton crane</i>				<i>818<sup>00</sup></i>		
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
RECEIVED BY		APPROVED BY		TOTALS					
DATE RECEIVED		APPROVED BY		YER	DATE				

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09/30/2010

PD 000094

**WORK ORDER**  
**R&R RENTALS, INC.**

P.O. BOX 902  
MONT BELVIEU, TX 77580  
(281) 383-2066

17580

TO HONOLULU, OAHU, HAWAII DATE 11-30-99  
LESSEE (OWNER)

LOCATION Integrated Learning Unit ORDER NO. \_\_\_\_\_

JOB NO.

[illegible]

LESSEE (OWNER)

DISPATCHED BY

RECEIVED AND APPROVED BY

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09/30/2010

PD 000095

# HERCULES

MARINE SERVICES CORPORATION

P. O. Drawer O • Freeport, Texas 77541

INVOICE NO. : 4084

DATE : Nov. 18, 1997

Job No. : 11-5717

Location : Freeport, TX

TO: Dixie Carriers  
2102 Broadway  
Houston, Texas 77012

PLEASE REMIT PAYMENTS TO:  
11011 RICHMOND  
SUITE 500  
HOUSTON, TX. 77042

Terms : Net 30

FOR: Services to the DC 620 as follows:

Pump water from #1P void.  
Apply a temporary patch.  
Release to Western Towing.

Dixie Purchase Order #KZ 7157

LABOR:	Foreman	3 Hrs.	@	\$38.00/Hr.	\$ 114.00
	Leadman	3 Hrs.	@	\$35.00/Hr.	\$ 105.00
	Journeyman	3 Hrs.	@	\$32.50/Hr.	\$ 97.50

MATERIAL:	\$18.67	Plus 25%	@	\$ 4.66	\$ 23.33
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EQUIPMENT:	3" Gas Pump	2.5 Hrs.	@	\$18.00/Hr.	\$ 45.00
	Truck	1 Hr.	@	\$25.00/Hr.	\$ 25.00

TOTAL AMOUNT DUE					\$ 409.83
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09/30/2010

PD 000096

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09/30/2010

HERCULES MARINE SERVICES

DAILY TIME LOG

DATE:	11-18-97	CUSTOMER:	Dixie Carriers
JOB NO:	11-5717	BARGE:	DC 620

START TIME 1:30 PM

STOP TIME 4:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Regina Sam Pettit	<del>2.5</del>	3			
DANIEL HERNANDEZ	3	3			
DOMINGO GUEL	3	3			

PO #KZ 7157

MATERIAL LIST:

Epoxy Sticks - Use Vehicle to pickup Epoxy Sticks  
at Marine and Industrial Supplies in Free Port

Use 3" pump 2.5 hrs.

JOB DESCRIPTION:

pump water from #1 P void, and apply a temporary  
patch

Released to Western Towing (Lori) 4:25 PM

COMPLETED BY:

*Sam Pettit*

DATE: 11-18-97



# HERCULES

MARINE SERVICES CORPORATION

P. O. Drawer O • Freeport, Texas 77541

INVOICE NO. : 4052

DATE : October, 1997

Job No. : 10-5685

Location : Freeport, TX

TO: Hercules Offshore Corporation  
11011 Richmond Avenue, Suite 500  
Houston, Texas 77042

**PLEASE REMIT PAYMENTS TO:**  
**11011 RICHMOND**  
**SUITE 500**  
**HOUSTON, TX. 77042**

Terms : Net 30

FOR: Services to Hercules Offshore Drilling as follows:

Cleaning up of Offshore Yard.

LABOR:	Journeyman	695.75 hrs.	@	\$33.00 (ST)	22,959.75
MATERIAL:	\$5,933.23	Plus 10%	@	593.32	6,526.55

**TOTAL AMOUNT DUE**

**\$29,486.30**

*Tom / K*

DECLASSIFIED  
09/30/2010

PHONE: (409) 233-6371

PD 000098

# DAILY TIME LOG

DATE:	10-1-97	CUSTOMER:	Hercules Offshore
JOB NO:	<del>9-5077</del> 10-5685	BARGE:	Yard Cleaning Proj.

START TIME 8:00 AM

STOP TIME 4:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. Pettit	8	8			
Juan Rivera	8	8			
Juan Quiñones	8	8			
Manuel Cruz	8	8			
Jose Casas	4.5	4.5			

**MATERIAL LIST:**

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**JOB DESCRIPTION:**

Filling Scrap metal and trash dumpsters

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SUBMITTED BY:

Sam Pettit 36.5

DATE:

10-1-97

Revised July, 1997

DECLASSIFIED 09/30/2010

695.75

PD 000099

# DAILY TIME LOG

DATE:	10-2-97	CUSTOMER:	Hercules Offshore
JOB NO:	10-5685	BARGE:	Offshore Yard Cleaning Proj.

START TIME 8:00 AM

STOP TIME 4:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. Pettit	8	8			
Joe Olivarez	8	8			
Daniel Puente	8	8			

**MATERIAL LIST:**

Use Front End loader tractor  
Use Dozer and Cutting Rig

**JOB DESCRIPTION:**

Loading material into dumpsters, Scrap Metal  
dumpster and Trash dumpsters

SUBMITTED BY:

Sam Pettit

DATE:

10-2-97

Revised July, 1997

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PD 000100

# DAILY TIME LOG

DATE:	10-2-97	CUSTOMER:	Hercules Offshore
JOB NO:	5685	BOAT:	Wood Clean-up

START TIME 5:00 A.M.

STOP TIME 4:30 P.M.

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Rivera	5				
Cross	5				
Quintanar	5				
Quigley	5				
<del>Quigley</del>	<del>5</del>				
Alvarez	5				

## MATERIAL LIST:

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## JOB DESCRIPTION:

Stripping out all loose wood out of used by  
force the wood and dropping into proper dumpster.

SUBMITTED BY: Michael DeBorja

DATE: 10-2-97

Revised July, 1997

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09/30/2010

PD 000101

# DAILY TIME LOG

DATE:	10-3-97	CUSTOMER:	Hercules Offshore
JOB NO:	10-5685	BARGE:	Offshore Yard Cleaning Proj.

START TIME 8:00 AM

STOP TIME 4:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. Pettit	<del>8</del>	8	Juan Rivera	<del>8</del>	8
Joe Olivarez	<del>8</del>	8	Joe Casas	<del>7</del>	7
Daniel Duarte	<del>8</del>	8	Juan Quietero	<del>8</del>	8
Domingo Guel	<del>8</del>	8	Lazaro Cruz	<del>8</del>	8

**MATERIAL LIST:**

Doezer , Fork lift , Cherry Picker-8

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**JOB DESCRIPTION:**

Loading dumpsters with Scrap metal, in metal dumpster  
trash in trash dumpsters, Cutting metal to fit in dumpster  
Use dozer to dress up yard

\_\_\_\_\_

\_\_\_\_\_

SUBMITTED BY: Sam Pettit

DATE: 10-3-97

Revised July, 1997

DECLASSIFIED  
09/30/2010

32  
31  
63

PD 000102

## DAILY TIME LOG

DATE: 10-6-97 CUSTOMER: Hercules Offshore  
 JOB NO: 10-5685 BARGE: Offshore yard Cleaning

START TIME 8:00 AMSTOP TIME 4:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. Pettit	<del>8</del>	8			
Daniel Duarte	<del>8</del>	8			
C. Duarte	<del>8</del>	8			
J. Rivera	<del>4</del>	4			
L. Cruz	<del>8</del>	8			
J. Casas	<del>8</del>	8			
J. Quintard	<del>8</del>	8			

## MATERIAL LIST:

Cutting Rig<sup>8</sup>, front end loader tractor,

## JOB DESCRIPTION:

Loading trash & Metal dumpsters  
Cutting Material to fit in dumpster

SUBMITTED BY:

Sam Pettit

DATE:

10-6-97

Revised July, 1997

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# DAILY TIME LOG

DATE:	10-8-97	CUSTOMER:	Hercules Offshore
JOB NO:	10-5685	BARGE:	Offshore Yard Cleaning Proj.

START TIME 8:00 AM

STOP TIME 10:00 AM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. Pelt	2	2			
C. Duarte	2	2			
J. Rivera	2	2			
L. Cruz	2	2			
D. Duarte	2	2			
J. Casas	2	2			
J. Quintero	2	2			

**MATERIAL LIST:**

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**JOB DESCRIPTION:**

Filling dumpsters - trash and Metal

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SUBMITTED BY: Sam Pelt

DATE: 10-8-97

Revised July, 1997

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09/30/2010

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PD 000104

# DAILY TIME LOG

DATE:	10-9-97	CUSTOMER:	Hercules Offshore
JOB NO:	10-5685	BARGE:	Offshore Yard Clean

START TIME 8:00 AM

STOP TIME 4:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. [Signature]	6	6			
Daniel Duarte	8	8			
Juan Rivera	8	8			
Juan Quieters	8	8			
Lacero Cruz	8	8			
Jose Casa	8	8			
Claudio Duarte	8	8			
Joe Olivera	2	2			

**MATERIAL LIST:**

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**JOB DESCRIPTION:**

Yard clean up - loading scrap metal and trash  
dumpsters

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SUBMITTED BY: [Signature]

DATE: 10-9-97

Revised July, 1997

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DECLASSIFIED  
09/30/2010

PD 000105



DATE:	10-10-97	CUSTOMER:	Hercules Offshore
JOB NO:	10-5685	BARGE:	Offshore Yard Cleaning Proj.

START TIME 8:00 AM

STOP TIME 4:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. Peltz	6	6			
Claudio Duarte	6	6			
Juan Rivera	6	6			
Juan Quiñero	8	8			
Lazaro Cruz	8	8			
Jose Casa	8	8			
Daniel Duarte	8	8			

MATERIAL LIST:

Use Front End loader tractor - 8 hrs.

JOB DESCRIPTION:

Moving trash and Material to dumpsters

SUBMITTED BY: Sam Peltz

DATE: 10-10-97

Revised July, 1997

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09/30/2010

PD 000106

# DAILY TIME LOG

DATE:	10-14-97	CUSTOMER:	Hercules Offshore
JOB NO:	10-5685	BARGE:	Offshore Yard Cleaning Proj.

START TIME 2:30 AM

STOP TIME 4:00 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. Pettit	4	4			
Juan Rivera	5.5	5.5			
Juan Quientero	8	8			
Jose Casas	6	6			
Claudio Duarte	8	8			
Arturo Gonzalez	8	8			
Lazaro Cruz	8	8			
Oscar Ramirez	8	8			

**MATERIAL LIST:**

Used: Cherry Picker, Front End loader, Cutting Rig

**JOB DESCRIPTION:**

Filling dumpsters - Metal dumpster and Trash dumpster, Cutting metal to fit in dumpster

SUBMITTED BY:

*Sam Pettit*

DATE:

10-14-97

Revised July, 1997

55.5

DECLASSIFIED 09/30/2010

PD 000107

# DAILY TIME LOG

DATE:	10-15-97	CUSTOMER:	Hercules Offshore
JOB NO:	10-5685	BARGE:	Offshore Yard Cleaning Proj: 2

START TIME 8:00 AM

STOP TIME 4:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. Peltz	<del>8</del>	0			
Claudia Duarte	<del>4</del>	4			
Jose Casas	<del>8</del>	8			
Lazaro Cruz	<del>8</del>	8			
Daniel Duarte	<del>8</del>	8			
Arturo Gonzalez	<del>8</del>	8			
Oscar Ramirez	<del>8</del>	8			
Juan Rivera	<del>8</del>	8			
Juan Quiñones	<del>4</del>	4			

## MATERIAL LIST:

Used: Front End loader, Cutting Rig

## JOB DESCRIPTION:

Fill dumpsters, Scrap metal dumpster and trash  
dumpster, Cutting Scrap metal to fit into  
dumpster

SUPERVISOR BY

*[Signature]*

DATE:

10-15-97

Revised July, 1997

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09/30/2010

56

PD 000108

## HERCULES MARINE SERVICES

## DAILY TIME LOG

DATE:	10-22-97	CUSTOMER:	Hercules Offshore
JOB NO:	10-5685	BARGE:	Offshore Park Cleaning Proj.

START TIME \_\_\_\_\_

STOP TIME \_\_\_\_\_

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
DOMINGUEZ	8				
ARTURO GONZALEZ	8				
OSCAR RAMIREZ	8				
BENJAMIN MOLINA	8				

MATERIAL LIST:

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JOB DESCRIPTION:

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SUBMITTED BY: \_\_\_\_\_

DATE: \_\_\_\_\_

32

# DAILY TIME LOG

DATE:	10-22-97	CUSTOMER:	
JOB NO:	5685	BARGE:	OFFSHORE YARD

START TIME 8:00 AM

STOP TIME 2:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Audie	6				
Carver	6				
Quintana	6				
Crab	6				
Thompson	6				

**MATERIAL LIST:**

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**JOB DESCRIPTION:**

Load beams up

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SUBMITTED BY: Charles Everett

DATE: 10-22-97

Revised July, 1997

30

DECLASSIFIED 09/30/2010

PD 000110

DAILY TIME LOG

DATE:	10-23-82	CUSTOMER:	
JOB NO:	5685	BARGE:	OFFSHORE HARB.

START TIME 8:00 AM

STOP TIME 11:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Plaster	8				
Cass	1 1/2				
Quinlan	8				
Cass	1 1/2				
Reiner	2 1/4				

MATERIAL LIST:

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JOB DESCRIPTION:

Wood Clearing / Picking all wood, trash, & debris  
off premises

SUBMITTED BY: Russell Quanta

DATE: 10-23-82

Revised July, 1997

DECLASSIFIED  
09/30/2010

21-23

PD 000111

# DAILY TIME LOG

DATE:	10.23.97	CUSTOMER:	Hercules Offshore
JOB NO:		BARGE:	Yard

START TIME \_\_\_\_\_ STOP TIME \_\_\_\_\_

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Claudio	8				
Quintero	8				
Revera	8				
Cruz	8				

MATERIAL LIST:

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JOB DESCRIPTION:

Yard Clean up / Picking all Scrap Iron & Trash Debris off Premises.

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SUBMITTED BY: Duarte

DATE: 10.23.97

Revised July, 1997

32

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PD 000112

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09/30/2010

HERCULES MARINE SERVICES

DAILY TIME LOG

DATE:	11-24-97	CUSTOMER:	Hercules Offshore
JOB NO:	10-5655	BARGE:	Offshore Land Cleaning Barge

START TIME 12:30 PM

STOP TIME 3:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. [Signature]	3	3			

MATERIAL LIST:

Use Cherry Picker

JOB DESCRIPTION:

Filling bumper - scrap metal

SUBMITTED BY: [Signature]

2

DATE: 11-24-97



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09/30/2010

HERCULES MARINE SERVICES

DAILY TIME LOG

DATE:	10-27-97	CUSTOMER:	Hercules Offshore
JOB NO:	10-5685	BARGE:	Offshore Yard Cleaning Project

START TIME 5:00 AM

STOP TIME 11:00 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
<del>H. D. H. H.</del>	<del>4.5</del>	<del>4.5</del>			

MATERIAL LIST:

Used Cherry Picker - 4 hrs.

JOB DESCRIPTION:

Cleanup - Fill Scrap metal/dumpster and trash dumpster

SUBMITTED BY: [Signature]

46

DATE: 10-27-97

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09/30/2010

HERCULES MARINE SERVICES

DAILY TIME LOG

DATE:	12-20-79	CUSTOMER:	Haywards Towing
JOB NO:	12-5685	BOAT:	24'x36'x12'x12'x12'

START TIME 7:00 AM

STOP TIME 4:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
W. H. H.	5	5			

MATERIAL LIST:

1/2" Chain Picker - 5 hrs.

JOB DESCRIPTION:

Load Motor Compactor

SUBMITTED BY: Sam H. H.

DATE: 12-25-79

DATE:	10-28-97	CUSTOMER:	
JOB NO:	5685	BARGE:	OFFSHORE HARD

START TIME 8:01 AM STOP TIME 11:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Claudio	7				
Piero	7				
Cruz	7				
Quintero	7				
	<del>7</del>				

MATERIAL LIST:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

JOB DESCRIPTION:

Hard. Clean up.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SUBMITTED BY: Claudio Quintero

DATE: 10-28-97

Revised July, 1997

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28

PD 000116

# DAILY TIME LOG

DATE:	10-28-97	CUSTOMER:	OFFSHORE HAND
JOB NO:	5685	DATE:	

START TIME 8:00 AM

STOP TIME 1:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Ward	3 1/2				
Cruz	3 1/2				
Quintero	3 1/2				
Rivera	5				

**MATERIAL LIST:**

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**JOB DESCRIPTION:**

Ward Clean up Gathering up all scrap Iron and  
Wood, trash and Dispose into Dumpster

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SHIPPED BY: Charles Rivera

DATE: 10-28-97

Revised July, 1997

15.5

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PD 000117

HERCULES MARINE SERVICES

DAILY TIME LOG

DATE:	10-29-97	CUSTOMER:	Hercules Offshore
JOB NO:	10-5685	BARGE:	Offshore Yard Cleaning Proj.

START TIME 8:00 AM

STOP TIME 2:00 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. Lett: t	3.5	3.5			

MATERIAL LIST:

Use Front End loader - 3.5 hrs.

JOB DESCRIPTION:

Moving Beams, Pipe racks and loading Metal dumpster

WITNESSED BY:

*Sam Lett* 2.5

DATE:

10-29-97

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09/30/2010

HERCULES MARINE SERVICES

DAILY TIME LOG

DATE:	10-30-97	CUSTOMER:	Hercules Offshore
JOB NO:	10-5685	BOAT:	Offshore Hard Cleaning Proj.

START TIME 7:30 AM

STOP TIME 4:00 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
P.S. P.H. 8	6	6			

MATERIAL LIST:


JOB DESCRIPTION:

Hard Clean up - filling dumpsters

SUBMITTED BY:

*[Signature]*

DATE:

10-30-97

Revised July, 1997

6

PD 000119

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09/30/2010

HERCULES MARINE SERVICES

DAILY TIME LOG

DATE:	10.30.97	CUSTOMER:	Hercules Offshore
JOB NO:	10-5685	BARGE:	Offshore Cleaning

START TIME 8:00 AM.

STOP TIME 4:30 P.M.

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Claudio	8				
Rivera	8				
Quintero	8				
Cruz	8				

MATERIAL LIST:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

JOB DESCRIPTION:

Picking all Scrap Iron & Trash off premises.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SUBMITTED BY:

*Quarte*

32

DATE:

10.31.97

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HERCULES MARINE SERVICES

DAILY TIME LOG

DATE:	10.31.97	CUSTOMER:	Hercules Offshore
JOB NO:	10-5685	BARGE:	Yard Clean up
START TIME	8:00 AM.	STOP TIME	4:30 PM.

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Claudio	8				
Rivera	8				
Cruz	8				
Zuñiga	8				

MATERIAL LIST:


JOB DESCRIPTION:

Cleaning up Yard / Pick up all Scrap Iron and dispose into Dumpster.

SUBMITTED BY: Quarte

32

DATE: 10.31.97



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09/30/2010

HERCULES MARINE SERVICES

DAILY TIME LOG

DATE:	10-31-97	CUSTOMER:	Hercules Off shore
JOB NO:	10-5685	BOAT:	Off shore Yard Cleaning
START TIME	8:00 AM	STOP TIME	12:00 AM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. Pettit	4	4			

MATERIAL LIST:

Cherry Picker - 2 hrs.

JOB DESCRIPTION:

Load dumpsters - Cleanup

SUBMITTED BY:

*Sam Pettit* 4

DATE:

10-31-97

Revised July, 1997

PD 000122

105685

# Offshore Yard Cleanup

Oct '92

[illegible]

DECLASSIFIED  
09/30/2010

PD 000123

9-5677

Copy  
for  
S. J. [unclear]

# Offshore Yard Cleanup

Sept 1997

PO Number	Date	Vendor Name	Description	Invoice # & Date	Est. Cost	Total Cost	Date Sent to JONI	Billed to Job
92649	9/16	Waste Management	Rental & pickup of 2 pickup Dumpster for cleanup	476-813134 10/1/97	350 <sup>00</sup>	700 <sup>33</sup>	10/16	350 <sup>38</sup>
Same PO #	9/23	Waste Manage.	Empty Dumpster (2 dumpsters pickup)		40 <sup>72</sup> 40 <sup>12</sup>			
92661	9/25	Acc Supply	Hydraulic Ram - 30 ton 45 <sup>00</sup> day -		45 <sup>00</sup> 1wk			
92662	9/26	Acc Supply	55 Ton Hydraulic Ram 45 <sup>00</sup> day -		45 <sup>00</sup> 1wk			
92663	9/29	Acc Supply	30 gal Hydraulic Oil		123 <sup>00</sup>			
on Oct. 92667	9/30	Acc Supply	500 gal diesel					
		Oil Patch					39	
						350		

# HERCULES

MARINE SERVICES CORPORATION

## PURCHASE ORDER

10-5685

POD 9-5677	DATE 9/30/97	REQ NO
DATE MATERIAL REQ'D		PREPARED BY: D. Peters
NOTIFY		DELIVER TO
REQUIRED FOR Offshore--Yard Clean Up		
DATE RECEIVED 1	DATE RECEIVED 2	DATE RECEIVED 3

P.M. NO.	9-5677-92667
VENDOR	Acce Supply / Brazos Valley Oil Patch
TERMS	
F.O.B.	
VIA	
SHIP DATE	

ITEM	QUANTITY		SHIP NO.	DESCRIPTION - FULL DETAIL REQUIRED	COST CODE		UNIT	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST
	ORDERED	RECEIVED									
1				500 gal. diesel				.6775	338 <sup>75</sup>		
2				Texas Environmental Inc					25 <sup>00</sup>		
3											
4											
5											
6											
7											
8											
9											
10											
11											
12											
13											
14											
RECEIVED BY:				APPROVED BY			TOTALS		363 <sup>75</sup>		
DATE RECEIVED				APPROVED BY			BUYER	DATE			

DECLASSIFIED  
09/30/2010

PD 000125

DECLASSIFIED  
09/30/2010

TRANSFOROR

OIL PATCH - BRAZOS VALLEY  
Fuels & Industrial Lubricants

PT 00000

P.O. BOX 456 • 515 S. AVE. A • FREEPORT, TEXAS 77542-0456  
(409) 239-FUEL • (409) 239-3835  
EMERGENCY CONTACT 1-800-328-2482

PD 000126

TRANSFEE

NAME *Hercules* ACCT. NO. SOURCE DATE *10-1-97*  
ADDRESS B.O.L. OR TICKET NO.

CITY, STATE, ZIP *Bay Bridge Houston* P.O. NO. *9-5677-92667*

DESCRIPTION	QTY. ORDERED	QTY. DELIVERED	UNIT PRICE	AMOUNT
UNLEADED GASOLINE - 3. UN 1203 PG II FLAMMABLE LIQUID • RFG WITH ADDITIVE				
MID GRADE GASOLINE - 3. UN 1203 PG II FLAMMABLE LIQUID • RFG WITH ADDITIVE				
PREMIUM UNLEADED - 3. UN 1203 PG II FLAMMABLE LIQUID • RFG WITH ADDITIVE				
STATE GASOLINE TAX			.2000	
FEDERAL GASOLINE TAX			.1830	

SUB TOTAL  
GASOLINE

DESCRIPTION	QTY. ORDERED	QTY. DELIVERED	UNIT PRICE	AMOUNT
FUEL OIL - DIESEL - 3. NA 1993. PG III COMBUSTIBLE LIQUID L.S. THIS DIESEL FUEL DOES NOT CONTAIN VISIBLE EVIDENCE OF DYE				
FUEL OIL - DIESEL - 3. NA 1993. PG III COMBUSTIBLE LIQUID - H.S. - OFF HIGHWAY DIESEL FUEL, NON-TAXABLE USE ONLY. PENALTY FOR TAXABLE USE	<i>500</i>	<i>500</i>	<i>.6775</i>	<i>338<sup>75</sup></i>
STATE DIESEL TAX			.2000	
FEDERAL DIESEL TAX			.2430	

SUB TOTAL  
DIESEL

*338<sup>75</sup>*

DESCRIPTION	QTY. ORDERED	QTY. DELIVERED	UNIT PRICE	AMOUNT
TEXAS ENVIRONMENTAL FEE				<i>25<sup>00</sup></i>
FEDERAL SUPERFUND TAX				

OIL RECYCLE TAX REIMBURSAL			.0800	
SALES TAX			.0775	

DRIVER	TOTAL AMOUNT	<i>363<sup>75</sup></i>
--------	--------------	-------------------------

RECEIVED BY:

THIS IS TO CERTIFY THAT THE ABOVE NAMED MATERIALS ARE  
PROPERLY CLASSIFIED, DESCRIBED, PACKAGED, MARKED AND  
LABELED AND ARE IN PROPER CONDITION FOR TRANSPORTATION  
ACCORDING TO THE APPLICABLE REGULATIONS OF THE DEPART.

# HERCULES

MARINE SERVICES CORPORATION

## PURCHASE ORDER

10-5685

JOB 9-5677	DATE 10-1-97	REQ NO
DATE MATERIAL REQ'D		PREPARED BY: EPeters
NOTIFY:		DELIVER TO:
REQUIRED FOR Offshore - Yard Clean Up		
DATE RECEIVED	DATE RECEIVED	DATE RECEIVED
1	2	3

P.M. NO.	9-5677-92669
VENDOR	Acc Supply / AMR.
TERMS	
F.O.B.	
VIA	
SHIP DATE	

ITEM	QUANTITY		SHIP NO.	DESCRIPTION - FULL DETAIL REQUIRED	COST CODE		UNIT	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST
	ORDERED	RECEIVED									
1				Rental of Digger				645 <sup>00</sup>			
2				Rental of Backhoe				615 <sup>00</sup>			
3				Delivery Charge				30 <sup>00</sup>	30 <sup>(1)</sup>		
4											
5											
6											
7											
8											
9											
10											
11											
12											
13											
14											
RECEIVED BY:				APPROVED BY			TOTALS				
DATE RECEIVED				APPROVED BY			BUYER / DATE				

DECLAS  
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PD 000127

# American Machinery Rentals, Inc.

**FREEPORT BRANCH**  
2211 BRAZOSPORT BLVD.  
FREEPORT, TX 77541  
PHONE (409) 233-8645

**AMR**  
RENTALS-SALES-SERVICE

**HOUSTON BRANCH**  
5925 FM 518  
PEARLAND, TX 77581  
PHONE (713) 997-2501

**RENTAL CONTRACT**  
CUSTOMER DELIVERY RECEIPT

**24 HOUR SERVICE**

RELEASE DATE	PICKUP DATE
*** REPRINT ***	

RENTAL WORKSHEET - CONFIRMED

PAGE: 1 \*\*\* REPRINT \*\*\*

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ACE SUPPLY, INC  
P.O. BOX 914W3

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ORDERED BY LARRY  
DEL TO THEIR YARD

DOC : 115250

TIME 4:25 PM

Date: 01-OCT-97

01-Oct-97

Cust: 00112

ENTERED BY DEON

Br : 01 S/C: a

PO# : 95677-72669

KJ

LAFAYETTE LA 70509

CONTRACT# :

DATE OUT: 02-OCT-97

DUE IN: 02-NOV-97

VIA :

QTY	ITEM NO	DESCRIPTION	SINGLE DAY	SHIFT WEEK	RATE MONTH	EXTENSION
1	416B-001	85C750 CAT 416B BACKHOE 14'6"DD	180	540	1620	
		RENTAL WORKSHEET - CONFIRMED				
		CLEAN. CHECK ALL FLUID LEVELS AND GREASE				
		EVERY 150 HOUR OF OPERATION. (STABILIZER				
		Hrs Out: 0000 Net:				
1	BHF-001	BHF1 BACKHOE FORKS 4000 LBS.	25	75	225	
1		DL DELIVERY CHARGE			15.00	
		DW INSURANCE				
		TX SALES TAX				

*Jimmy C Jackson*

DRIVER LIC. NO.	TAG NO.	CUSTOMER RESPONSIBLE FOR ROUTINE MAINTENANCE	TOTAL AMOUNT
-----------------	---------	--	--------------

ALL PAYMENTS DUE AT FREEPORT, BRAZORIA COUNTY, TEXAS. WE RESERVE THE RIGHT TO

DECLASSIFIED  
09/30/2010

PD 000128



# American Machinery Rentals, Inc.

**FREEPORT BRANCH**  
2211 BRAZOSPORT BLVD.  
FREEPORT, TX 77541  
PHONE (409) 233-8645

**AMR**  
RENTALS-SALES-SERVICE

**HOUSTON BRANCH**  
5925 FM 518  
PEARLAND, TX 77581  
PHONE (713) 997-2501

RENTAL CONTRACT /  
CUSTOMER DELIVERY RECEIPT

**24 HOUR SERVICE**

RELEASE DATE	PICKUP DATE
***	REPRINT *****

RENTAL WORKSHEET - CONFIRMED

PAGE: 1

S  
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ACE SUPPLY, INC  
P.O. BOX 91403

LAFAYETTE LA 70509

DATE OUT: 02-OCT-97

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ORDERED BY LARRY  
DEL TO THEIR YARD

DUE IN: 02-NOV-97

DOC : 115252

Date: 02-OCT-97

Cust: 00112

Br : 01 S/C: a

PO# : 95677-72669

CONTRACT# :

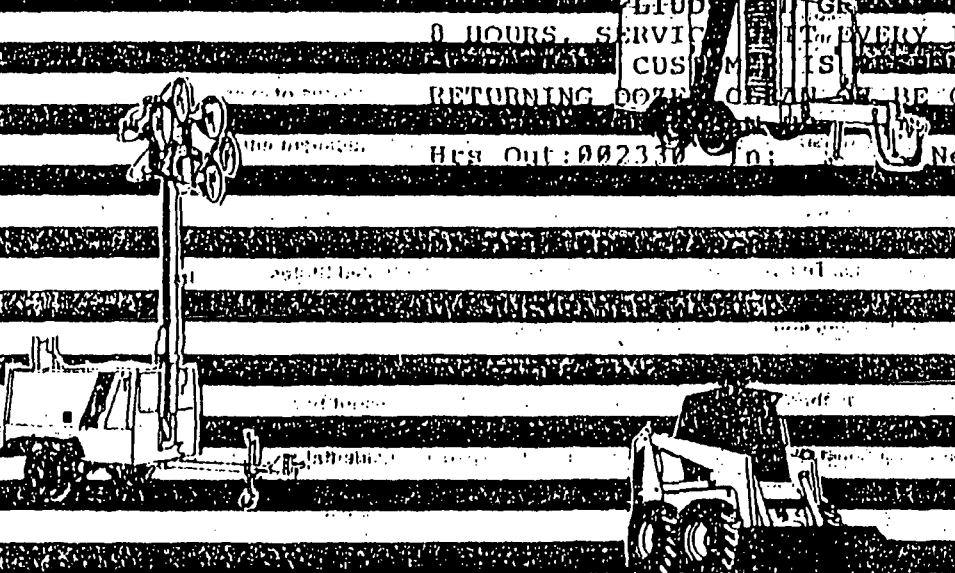
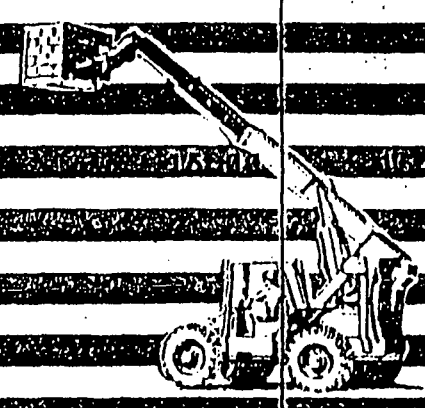

VIA :

TIME 7:55 AM

02-Oct-97

ENTERED BY DEON

KJ

QTY	EQUIP	STATION	DESCRIPTION	RATE DAY	TIME WEEK	RATE MONTH	EXTENSION
1	D31E-001 42101		TRACK DOZER D31E 6 WAY	215	645	1935	
<p>8 HOURS SERVICE EVERY 150 HOURS OF</p> <p>CUSTOMER'S RESPONSIBILITY TO RE-CHARGE \$45</p> <p>Hrs Out: 002330 Net:</p>							
							
							
							
<p>DRIVER LIC. NO. TAG NO. CUSTOMER RESPONSIBLE FOR ROUTINE MAINTENANCE</p>							
						TOTAL AMOUNT	

REC'D BY

*Jimmy C Jackson*

RETURNED BY

NOTE: READ GENERAL CONDITIONS OF RENTAL ON REVERSE SIDE

ALL PAYMENTS DUE AT FREEPORT, BRAZORIA COUNTY, TEXAS. WE RESERVE THE RIGHT TO CHARGE INTEREST AT HIGHEST LEGAL RATE ON CHARGES DUE NOT PAID WITHIN 10 DAYS OF THE DUE DATE.

DECLAS  
SIFIED  
09/30/20  
10

PD 000129



# HERCULES

MARINE SERVICES CORPORATION

## PURCHASE ORDER

P.M. NO.	10-5685-92672
VENDOR	Beach Brit. & Tackle
TERMS	
F.O.B.	
VIA	
SHIP DATE	

JOB	10-5685	DATE	10/2/97	REQ NO	
DATE MATERIAL REQ'D		PREPARED BY	B Peters		
NOTIFY:		DELIVER TO:			
REQUIRED FOR	Offshore - Yard Cleanup				
DATE RECEIVED	1	DATE RECEIVED	2	DATE RECEIVED	3

ITEM	QUANTITY		SHIP NO.	DESCRIPTION - FULL DETAIL REQUIRED	COST CODE		UNIT	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST
	ORDERED	RECEIVED									
1		4		can Deep Woods Off				499	1996		
2				Moquito spray							
3											
4											
5											
6											
7											
8											
9											
10											
11											
12											
13											
14											

RECEIVED BY:	APPROVED BY	TOTALS				
DATE RECEIVED	APPROVED BY	BUYER	DATE			

DECLASSIFIED  
09/30/2010

PD 000130

BEACH BAIT & TACKLE, INC.  
P. O. Box 2025  
1601 E. Hwy 332  
Freeport, Texas 77542  
(409) 233-7351  
(281) 393-1597

145369

Date 8/10-2 1997

Name Hercules

10-5685-72612

Acct No. \_\_\_\_\_ Clerk Tennifer

ACCOUNT FORWARD

4-cans Deep Woods Off	19.96	

*Bob T. Jones*

Your account stated to date - if error is found return at once

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PD 000131

# HERCULES

MARINE SERVICES CORPORATION

## PURCHASE ORDER

JOB <b>10-5685</b>	DATE <b>10-3-97</b>	REQ. NO.
DATE MATERIAL REQ'D.		PREPARED BY <i>D. Peters</i>
NOTIFY:		DELIVER TO:
REQUIRED FOR <i>Offshore Yard Cleanup</i>		
DATE RECEIVED 1	DATE RECEIVED 2	DATE RECEIVED 3

P.M. NO.	<b>10-5685-92675</b>
VENDOR	<i>Shrouard's</i>
TERMS	
F.O.B.	
VIA	
SHIP DATE	

ITEM	QUANTITY		SHIP NO.	DESCRIPTION — FULL DETAIL REQUIRED	COST CODE		UNIT	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST
	ORDERED	RECEIVED									
1		<b>4</b>		<i>Locks</i>				<i>5.49 ea</i>	<i>21.96</i>		
2											
3											
4											
5											
6											
7											
8											
9											
10											
11											
12											
13											
14											

RECEIVED BY:	APPROVED BY:	TOTALS				
DATE RECEIVED	APPROVED BY:	BUYER	DATE			

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09/30/2010

PD 000132

1

32916

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39

**FREEPORT**

TEXAS 77541

DATE 10-5-19  
M Hercules OFFSHORE  
P.O. 10-5685-92675

7527

[illegible]

**MONROE ADVERTISING SERVICES - ANGLETON, TX 77818**

17518-40 359 2 84

PD 000133

# HERCULES

MARINE SERVICES CORPORATION

## PURCHASE ORDER

JOB <b>10-5685</b>	DATE <b>10/3/97</b>	REQ NO
DATE MATERIAL REQ'D		PREPARED BY: <b>R. Peters</b>
NOTIFY:		DELIVER TO:
REQUIRED FOR <b>Offshore Yard Cleanup</b>		
DATE RECEIVED 1	DATE RECEIVED 2	DATE RECEIVED 3

P.M. NO.	<b>10-5685-92678</b>
VENDOR	<b>Ice Supply / Air Liquide</b>
TERMS	
F.O.B.	
VIA	
SHIP DATE	

ITEM	QUANTITY		SHIP NO.	DESCRIPTION — FULL DETAIL REQUIRED	COST CODE		UNIT	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST
	ORDERED	RECEIVED									
1	6			Oxygen					73.68		
2	2			Acetylene					105.30		
3				Delivery Chg.					2.50		
4				Tax					14.06		
5											
6											
7											
8											
9											
10											
11											
12											
13											
14											
RECEIVED BY:				APPROVED BY:				TOTALS		195.54	
DATE RECEIVED				APPROVED BY:				BUYER	DATE		

DECLASSIFIED  
09/30/2010

PD 000134

**AIR LIQUIDE**

Air Liquide America Corporation  
1817 FM 523

Freeport, TX 77541

PHONE: 409-339-5200

FAX: 409-339-5230

**BILL TO (BUYER):**

ACE SUPPLY INC

PO BOX 91403

LAFAYETTE, LA 70505

**SHIP TO:**

409-339-6371

ACE SUPPLY INC

C/O HERCULES OFFSHORE DRILLING

504 MARLIN

Freeport, TX 77541

SHIPPING ORDER NUMBER

200316

REQUIRED:

09-007-97

09-007-97

Our Truck

DELIVERED BY

RECEIVED BY

DATE

DATE

KM

10/8

ACCOUNT  
NUMBER

ORDERED BY

ENTERED BY

TERMS

P.O.#

17021 - 001

DIANA

RICHARDS, JODY L

NET 30

REL #

ITEM #

ITEM DESCRIPTION

QUANTITY  
ORD SHIP RET B/O

CUSTOMER'S  
PRICE \$/UOM

VOLUME

EXTENDED  
AMOUNT

000-49

OXYGEN 30750F/CYL

AL

6 8 8

4.00 CCF

1842 SCF

Y

73.62

000-15

ACETYLENE LARGE-CYL

AL

2 4 2

13.50 CCF

720 SCF

Y

105.30

000-22

DELIVERY CHARGE - CYL/HP/MS/DOGS

1 1

2.50 EA

1 EA

Y

2.50

2 Marine  
Acetylene  
2 Marine  
Oxygen

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09/30/2010

*Sam Peltz*

PD 000135

**IMPORTANT NOTICE**

MATERIAL SAFETY DATA SHEET (MSDS) HAS BEEN PROVIDED TO BUYER. TO GET MORE FREE COPIES, CALL (800) 351-1333. THE REVERSE SIDE OF THIS DOCUMENT IS PART HEREOF UNLESS OTHERWISE INDICATED THEREON.

OWNERSHIP		UNIT OF MEASURE			
AL	AIR LIQUIDE	SCF	STANDARD CUBIC FEET	CCF	HUNDRED CUBIC FEET
CO	CUSTOMER	CYL	CYLINDER	LB	POUNDS
NR	NON-RETURNABLE	LTR	LITER	EA	EACH
EX	EVEN-EXCHANGE	PK	PACK	GAL	GALLON

SUB TOTAL	
TOTAL TAXABLE AMOUNT	161.42
TOTAL TAX AMOUNT	161.42
TOTAL INVOICE AMOUNT	161.42



Waste Management of Southeast Texas  
103 Peller Drive  
Angleton, TX 77515  
(409) 849-7763 or (800) 848-3796  
FAX: (409) 849-8161

287108

SERVICE TICKET AGREEMENT/NON-HAZARDOUS WASTES

DIVISION NUMBER	453453	ACCOUNT NUMBER	0874859	SERVICE TYPE	AR
CUSTOMER	HERCULES MARINE SERVICES				
ADDRESS	906	MARLIN AVENUE			
CITY	FREEPORT	77541			

ORDER NUMBER		SERVICE DATE	
128358		10/03/97	
TIME IN		TIME OUT	
12:00			
ROUTE ID	DISPOSAL ID	DISPOSAL TICKET	
125			
SIGNATURE		COD AMOUNT	
REQUIRED		4072	

ACTION	ORD QTY	SERVICE DESCRIPTION	WASTE TYPE	BILL CODE	MEASURE	BILL QUANTITY	AMOUNT
RT	1	40RLW 40 YD CONTAINER - W		740	LY		
				511	EA		

COMMENTS

SERVICES ACCEPTED SUBJECT TO THE TERMS AND CONDITIONS ON THE REVERSE SIDE AND PAYMENT AGREED TO BE MADE IN ACCORDANCE WITH THE CONTRACTOR'S CURRENT RATE SCHEDULE.

CUSTOMER SIGNATURE: Diana Peters

CONTRACTOR SIGNATURE: [Signature]

CIMS-0038T (10/90) WHITE - OFFICE YELLOW - CUSTOMER PINK - CONTROL

Printed on recycled paper (G)

DECLAS  
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PD 000136



Waste Management of Southeast Texas

103 Petter Drive  
Angleton, TX 77515  
(409) 849-7763 OR (800) 848-3796  
FAX: (409) 849-8161

239010

SERVICE TICKET AGREEMENT/NON-HAZARDOUS WASTES

DIVISION NUMBER	ACCOUNT NUMBER	SERVICE TYPE
CUSTOMER	135	
ADDRESS	195 MRF	
CITY	4072	

ACTION	ORD QTY	SERVICE DESCRIPTION	WASTE TYPE	BR CODE	MEASURE	QUANTITY	AMOUNT
BT	1	40 yd B L W					

COMMENTS

SERVICES ACCEPTED SUBJECT TO THE TERMS AND CONDITIONS ON THE REVERSE SIDE AND PAYMENT AGREED TO BE MADE IN ACCORDANCE WITH THE CONTRACTOR'S CURRENT RATE SCHEDULE

CUSTOMER SIGNATURE

*Sam Pettit*

CONTRACTOR SIGNATURE

*[Signature]*

CIMS-0038TBK (10/90)

WHITE - OFFICE

YELLOW - CUSTOMER

PINK - CONTROL

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# Waste Management of Southeast Texas

103 Potter Drive  
Angleton, TX 77515  
(409) 849-7763 OR (800) 848-3796  
FAX: (409) 849-8161

239021

## SERVICE TICKET AGREEMENT/NO-HAZARDOUS WASTES

DIVISION NUMBER	ACCOUNT NUMBER	SERVICE TYPE
CUSTOMER	HERCULES	
ADDRESS		
CITY		

ORDER NUMBER	SERVICE DATE	
240	10-18-97	
ROUTE ID	DISPOSAL ID	DISPOSAL TICKET
195	MAP	
SIGNATURE	COD AMOUNT	

ACTION	ORD QTY	SERVICE DESCRIPTION	WASTE TYPE	BILL CODE	MEASURE	BILL QUANTITY	AMOUNT
RT	1	10 yd ALLU					

### COMMENTS

SERVICES ACCEPTED, SUBJECT TO THE TERMS AND CONDITIONS ON THE REVERSE SIDE AND PAYMENT AGREED TO BE MADE IN ACCORDANCE WITH THE CONTRACTOR'S CURRENT RATE SCHEDULE.

CUSTOMER SIGNATURE

*Alvin Millard*

CONTRACTOR SIGNATURE

*(Signature)*

CLASS-0038TUK (10/90)

WHITE - OFFICE

YELLOW - CUSTOMER

PINK - CONTROL

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09/30/2010



Waste Management of Southeast Texas

103 Petter Drive  
Angleton, TX 77515  
(409) 849-7763 OR (800) 848-3796  
FAX: (409) 849-8161

238275

SERVICE TICKET AGREEMENT/NON-HAZARDOUS WASTES

DIVISION NUMBER	ACCOUNT NUMBER	SERVICE TYPE
CUSTOMER	Hercoke	
ADDRESS		
CITY	FP	

ORDER NUMBER		SERVICE DATE	
		10 31 97	
TIME IN		TIME OUT	
155		305	
ROUTE ID	DISPOSAL ID	DISPOSAL TICKET	
194	MRF	121496	
SIGNATURE		COD AMOUNT	

ACTION	ORD QTY	SERVICE DESCRIPTION	WASTE TYPE	BILL CODE	MEASURE	BILL QUANTITY	AMOUNT
1		45 yd					

COMMENTS

Al. Alon

SERVICES ACCEPTED SUBJECT TO THE TERMS AND CONDITIONS ON THE REVERSE SIDE AND PAYMENT AGREED TO BE MADE IN ACCORDANCE WITH THE CONTRACTOR'S CURRENT RATE SCHEDULE.

CUSTOMER  
SIGNATURE

*[Signature]*

CONTRACTOR  
SIGNATURE

*[Signature]*

CIMS-0038TBK (10/90)

WHITE - OFFICE

YELLOW - CUSTOMER

PINK - CONTROL

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PD 000139

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# HERCULES

MARINE SERVICES CORPORATION

P. O. Drawer O • Freeport, Texas 77541

DECLASSIFIED  
09/30/2010

INVOICE NO. : 4044

DATE : Sept. 19, 1997

Job No. : 9-5677

Location : Freeport, TX

PLEASE REMIT PAYMENTS TO:  
11011 RICHMOND  
SUITE 500  
HOUSTON, TX. 77042

Terms : Net 30

TO: Hercules Offshore Corporation  
11011 Richmond Avenue, Suite 500  
Houston, Texas 77042

FOR:

Services to Hercules Offshore as follows:

Cleaning of Offshore Yard.  
Disposing of scrap wood, trash, and metal into dumpsters.  
Load truck with washer, dryer, pipe, radiator, freezer, tongs,  
and bushing. Assist Charlie Hughes on crane boom, removing  
cylinder pins. Loading dumpsters.

LABOR:	Journeyman	218.5 hrs.	@	\$33.00 (ST)	7,210.50
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MATERIAL:	\$805.55	Plus 10%	@	\$80.55	886.10
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TOTAL AMOUNT DUE

\$8,096.60

*Tom / H*

PHONE: (409) 233-6371

PD 000140

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09/30/2010

HERCULES MARINE SERVICES

DAILY TIME LOG

DATE:	<u>9-23-92</u>	CUSTOMER:	
JOB NO:	<u>9-5677</u>	BARGE:	<u>OFFS Hore / YARD CLEANING</u>

START TIME 8:00 AM

STOP TIME 3:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
<u>Blondie</u>	<u>7</u>				
<u>Carver</u>	<u>7</u>				
<u>Carter</u>	<u>7</u>				
<u>Rivers</u>	<u>7</u>				

MATERIAL LIST:


PD 000141

JOB DESCRIPTION:

<u>Disposing off all scrap wood, trash, and metal into their proper Dumpster.</u>

SUBMITTED BY: Blondie Rivers

DATE: 9-23-92

Revised July, 1997

218.5 Hours

## DAILY TIME LOG

DATE:	9-23-97	CUSTOMER:	Hercules Offshore
JOB NO:	9-5677	BARGE:	yard (Clean Up)

START TIME 7:30 AMSTOP TIME 4:00 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. Pettit	8	8			

## MATERIAL LIST:

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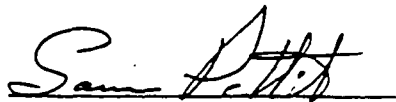


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## JOB DESCRIPTION:

Yard Clean Up - Scrap Metal & Wood - Trash  
 Moving Crane Sections for Charlie H. - to work on Cylinders

SUBMITTED BY:



DATE:

9-23-97

Revised July, 1997

8

PD 000142

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## DAILY TIME LOG

DATE:	9-24-97	CUSTOMER:	Hercules Offshore
JOB NO:	9-5677	BARGE:	yard Clean Up

START TIME 8:00 AMSTOP TIME 4:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. Pettit	3.5	3.5			

## MATERIAL LIST:

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## JOB DESCRIPTION:

loading dumpsters - Scrap Metal, trash

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SUBMITTED BY:

Sam Pettit

DATE:

9-24-97

Revised July, 1997

3.5

DECLASSIFIED  
09/30/2010

PD 000143

## DAILY TIME LOG

DATE:	9-24-97	CUSTOMER:	Hercules Offshore
JOB NO:	9-5677	BARGE:	Yard Misc.

START TIME 12:30

STOP TIME 2:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R. S. Peltz	2	2			
Juan Rivera	2	2			
Jose Casas	2	2			
Lacera Cruz	2	2			
Claudio Duarte	2	2			

## MATERIAL LIST:

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## JOB DESCRIPTION:

load truck - washer & Dryer, pipe, radiator, freezer, tanks, and bushing

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SUBMITTED BY:



DATE:

9-24-97

Revised July, 1997

10

 DECLASSIFIED  
 09/30/2010

PD 000144

## DAILY TIME LOG

DATE:	9-24-97	CUSTOMER:	HERCULES OFFSHORE
JOB NO:	5677	BARGE:	CLEAN-UP HAYD.

START TIME 8:00 AM

STOP TIME 4:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Plaudie	6				
Carson	3 1/2				
Crews	6				
<del>Carson</del>					
Rivers	3 1/2				

## MATERIAL LIST:

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## JOB DESCRIPTION:

Yard Clean-up (Disposed off scrap metal). Move metal spools out from weeds (to load out).

---

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SUBMITTED BY:

Plaudie Rivers

19

DATE:

9-24-97



## DAILY TIME LOG

DATE:	9-25-97	CUSTOMER:	HERCULES OFFSHORE
JOB NO:	5677	BARGE:	CLEAN UP HARB.

START TIME 8:00 AM

STOP TIME 4:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Claudio	8				
Conner	8				
Conner	8				
Reid	8				

## MATERIAL LIST:

## JOB DESCRIPTION:

Harb. Clean up (removed off. scrap metal)  
more metal scraps out from under (to land out)

SUBMITTED BY: Claudio Conner

DATE: 9-25-97

Revised July, 1997

32

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PD 000146

## DAILY TIME LOG

DATE:	9-25-97	CUSTOMER:	Hercules Offshore
JOB NO:	9-5677	BARGE:	Offshore (yard Cleaning)

START TIME 7:30 AMSTOP TIME 4:00 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R. S. Pettit	8	8			

## MATERIAL LIST:

Use truck - Pick up hydraulic Ram at AMR-Freepark

## JOB DESCRIPTION:

Loading dumpsters, trash and Scrap metal

Assist Charlie on Crane Boom - Removing Cylinder Pins

SUBMITTED BY:

Sam Pettit

DATE:

9-25-97

Revised July, 1997

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09/30/2010

PD 000147

# American Machinery Rentals, Inc.

FREEPORT BRANCH

2211 BRAZOSPORT BLVD

FREEPORT, TX 77541

PHONE (409) 233-8845



HOUSTON BRANCH

5925 FM 518

HOUSTON, TX 77058

PHONE (713) 987-2501

RENTAL CONTRACT  
CUSTOMER DELIVERY RECEIPT

24 HOUR SERVICE

RELEASE DATE	ENTER DATE
APPROVAL	

RENTAL WORKSHEET CONFIRMED

PAGE 1

ACE SUPPLY, INC.  
P.O. BOX 191403

LAFAYETTE

DATE ORDER 25 SEP 97

SAM

DOC 115022

DATE 25 SEP 97

CHRG 100002

BY 01 8/1

FOR 0-5600

10:15 AM

25 SEP

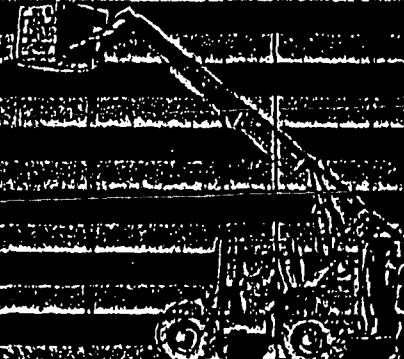
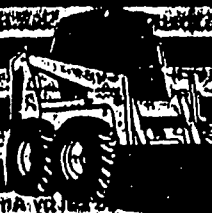
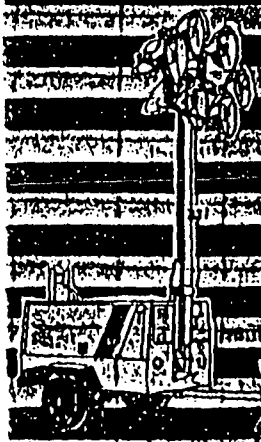
ENTERED KIRK

CONTRACT

DURIN 25 OCT 97

RP30-001-ARCL30225-30 TON HYDRAULIC CRANE/STAIL CRANE

4 IN DIA



DRIVER LIC. NO.	TAG NO.	CUSTOMER RESPONSIBLE FOR ROUTINE MAINTENANCE	TOTAL AMOUNT
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*Sam [Signature]*

RETURNED BY

ALL PAYMENTS DUE AT FREEPORT, BRAZORIA COUNTY, TEXAS. WE RESERVE THE RIGHT TO CHARGE INTEREST AT HIGHEST LEGAL RATE ON CHARGES NOT PAID WITHIN 15 DAYS OF THE DATE.

NOTE: READ GENERAL CONDITIONS OF RENTAL ON REVERSE SIDE

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09/30/2010

PD 000148

DATE:	9-26-97	CUSTOMER:	Hercules Offshore
JOB NO:	9-5677	BARGE:	

START TIME 8:00 AM

STOP TIME 4:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. Pettit	8	8			
Daniel Duarte	1	1			
Ignacio Silva	1	1			

## MATERIAL LIST:

Used Crane 100 Ton Link Belt, 2- Porta Jacks - 55 Ton,  
1- 30 Ton Jack, Rosebud, Oxygen & Acetylene

This Job charged to Clean Up - By Dee Jones - Sam Pettit  
and Rental

## JOB DESCRIPTION:

Removing cylinder from boom, using hydraulic ram to  
press pin out - Pin never moved  
Charlie Hughes - used heat also -  
Installed Cylinder in another Crane boom

SUBMITTED BY:

Sam Pettit

DATE:

9-26-97

Revised July, 1997

10

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09/30/2010

PD 000149

# American Machinery Rentals, Inc.

**FREEPORT BRANCH**  
2211 BRAZOSPORT BLVD.  
FREEPORT, TX 77541  
PHONE (409) 233-8645



**HOUSTON BRANCH**  
5925 FM 518  
PEARLAND, TX 77581  
PHONE (713) 997-2501

## RENTAL CONTRACT CUSTOMER DELIVERY RECEIPT

### 24 HOUR SERVICE

RELEASE DATE	PICKUP DATE
--------------	-------------

DECLAS  
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DATE OF ORDER: 09/26/97  
DATE OF DELIVERY: 09/26/97  
TIME: 1:00 PM  
ENTERED BY: [Signature]  
EQUIP. NO.: 0462-001  
SERIAL NO.: 0462-1  
DESCRIPTION: HYDR. PORTA-POWER PUMP  
SINGLE DAY: 20  
SHIFT WEEK: 60  
RATE MONTH: 100  
EXTENSION: 20.00

EQ. NO.	SERIAL NO.	DESCRIPTION	SINGLE DAY	SHIFT WEEK	RATE MONTH	EXTENSION
0462-001	0462-1	HYDR. PORTA-POWER PUMP	20	60	100	20.00
		10 1/4" TALL WITH 6 1/2" STROKE				
		FOR HYDRAULIC RAC				
		FOR HYDRAULIC WATER				
		FOR SALINE WATER				

DRIVER LIC. NO.	TAG NO.	CUSTOMER RESPONSIBLE FOR ROUTINE MAINTENANCE	TOTAL AMOUNT
-----------------	---------	--	--------------

ALL PAYMENTS DUE AT FREEPORT, BRAZORIA COUNTY, TEXAS. WE RESERVE THE RIGHT TO CHARGE INTEREST AT HIGHEST LEGAL RATE ON CHARGES NOT PAID WITHIN 30 DAYS.

PD 000150

# American Machinery Rentals, Inc.

**FREEPORT BRANCH**  
2211 BRAZOSPORT BLVD.  
FREEPORT, TX 77541  
PHONE (409) 233-8645



**HOUSTON BRANCH**  
5925 FM 518  
PEARLAND, TX 77581  
PHONE (713) 997-2501

## RENTAL CONTRACT CUSTOMER DELIVERY RECEIPT

### 24 HOUR SERVICE

RELEASE DATE	PICKUP DATE
--------------	-------------

TO: **SHIP** FROM: **AMR**  
DATE: **25 SEP 97** TIME: **1:00 PM**  
BY: **ENTERED BY**  
ITEM: **MDL RCL302 1 1/2 B TALL 10 7/17 STROKE**  
QTY: **1** PRICE: **15.00**

QTY.	EQUIP NO.	SERIAL NO.	DESCRIPTION	SINGLE DAY	SHIFT WEEK	RATE MONTH	EXTENSION
1			MDL RCL302 1 1/2 B TALL 10 7/17 STROKE DW INSURANCE WAIVER TX SALES TAX	15	45	1.00	15.00 1.00 1.20
DRIVER LIC. NO. TAG NO. CUSTOMER RESPONSIBLE FOR ROUTINE MAINTENANCE				TOTAL AMOUNT			17.20

BY

RETURNED BY

ALL PAYMENTS DUE AT THE PORT, BRAZORIA COUNTY, TEXAS. WE RESERVE THE RIGHT TO CHARGE INTEREST AT HIGHEST LEGAL RATE ON CHARGES DUE BUT NOT PAID WITHIN 10 DAYS OF DUE DATE.

DECLAS  
SIFIED  
09/30/20  
10

PD 000151

# DAILY TIME LOG

DATE:	9-26-97	CUSTOMER:	OFFSHORE CLEAN UP HARD.
JOB NO:	5677	BARGE:	

START TIME 8:00 AM

STOP TIME 2:00 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Wardle	5 1/2				
Carr	5 1/2				
Cruz	5 1/2				
River	5 1/2				

MATERIAL LIST:

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JOB DESCRIPTION:

Scraping up all scrap iron into metal bins.

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SUBMITTED BY: Alfredo E. Gento

DATE: 9-26-97

Revised July, 1997

22

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09/30/2010

PD 000152



# DAILY TIME LOG

DATE:	9-29-97	CUSTOMER:	Hercules Offshore
JOB NO:	9-5677	BARGE:	Yard Cleaning Project

START TIME 8:00 AM

STOP TIME 2:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. Pettit	6	6			

MATERIAL LIST:

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JOB DESCRIPTION:

Filling Scap metal boxes (dumpsters) and trash Dumpsters  
9

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SUBMITTED BY: Sam Pettit

DATE: 9-29-97

Revised July, 1997

DECLASSIFIED 09/30/2010

PD 000153



# DAILY TIME LOG

DATE:	9-29-97	CUSTOMER:	OFFSHORE (HERCULES)
JOB NO:	5677	BARGE:	YARD CLEAN-UP

START TIME 8:00 AM

STOP TIME 4:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Claudio	8				
Carson	8				
<del>Antonio</del>	<del>5</del>				
Chris	8				
Ricardo	4				

MATERIAL LIST:

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JOB DESCRIPTION:

Scrubbing scrap Iron & Trash, putting it into proper Dumpster.

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SUBMITTED BY: R. Claudio Duarte

DATE: 9-29-97

Revised July, 1997

28

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09/30/2010

PD 000154

# DAILY TIME LOG

DATE:	9-30-97	CUSTOMER:	Hercules Offshore
JOB NO:	9-5677	BARGE:	yard cleaning work

START TIME 7:00 AM

STOP TIME 3:30 PM

[illegible]

MATERIAL LIST:

**JOB DESCRIPTION:**

loading dumpsters

SUBMITTED BY:

Samuel A. Smith

DATE:

9-30-97

Revised July, 1997

DECLASSIFIED  
09/30/2010

PD 000155

## DAILY TIME LOG

DATE:	9-30-97	CUSTOMER:	Hercules Offshore
JOB NO:	5677	<del>DATE</del>	YARD Clean-up

START TIME 8:00 AM.

STOP TIME 4:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Claudio	8				
Cross	8				
Cruz	8				
Quintero	8				
Rivera	8				

## MATERIAL LIST:

## JOB DESCRIPTION:

Yard Clean-up / Pick all scrap (Iron, Pipe, Plate and dispose in to it proper Dumpster.  
 Dispose off all trash, rope, wood, ect ect, into Dumpster.

SUBMITTED BY:

*Luis Rivera*

DATE:

9.30.97

Revised July, 1997

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 09/30/2010

40

PD 000156

9-5677

Offshore  
Yard Cleanup

9/30/97

Sept 1997

PO Number	Date	Vendor Name	Description	Invoice # & Date	Est. Cost	Total Cost	Date Sent to JONI	Billed to Job
92649	9/16	Waste Management	Rental & setup of Dumpster for cleanup		350 <sup>00</sup>			
same PO #	9/23	Waste Manage.	Empty Dumpster (2 dumpster pickups)		40 <sup>72</sup> 40 <sup>72</sup>			
92661	9/25	Ace Supply AMR	Hydraulic Ram - 30 ton 45 <sup>00</sup> / wk 15 <sup>00</sup> day		45 <sup>00</sup> / wk			
92662	9/26	Ace Supply AMR	55 Ton Hydraulic Ram 45 <sup>00</sup> / wk 15 <sup>00</sup> day		45 <sup>00</sup> / wk			
92663	9/29	Ace Supply 300000 Castrol	30 gal Hydraulic Oil		123 <sup>00</sup>			
					644 <sup>44</sup>			
					161 <sup>11</sup>			
					805 <sup>55</sup>			

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09/30/2010

PD 000157

# HERCULES

MARINE SERVICES CORPORATION

P. O. Drawer O • Freeport, Texas 77541

INVOICE NO. : 4034

DATE : Sept. 8, 1997

Job No. : 9-5667

Location : Freeport, TX

TO: Hercules Offshore Corporation  
11011 Richmond Avenue, Suite 500  
Houston, Texas 77042

PLEASE REMIT PAYMENTS TO:  
11011 RICHMOND  
SUITE 500  
HOUSTON, TX. 77042

Terms : Net 30

FOR:

Services to Rig 25 as follows:

Removing hydraulic rams off of cranes.

LABOR:	Journeyman	17.5 hrs.	@	\$33.00 (ST)	577.50
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TOTAL AMOUNT DUE

\$577.50

DECLASSIFIED  
09/30/2010

*John H*

PHONE: (409) 233-6371

PD 000158

## DAILY TIME LOG

DATE:	9-8-97	CUSTOMER:	Hercules Offshore
JOB NO:	9-5667	BARGE:	Hercules Rig #25

START TIME 2:30 AM

STOP TIME 1:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R. S. Pettit	7.5	2.5			
Daniel Hernandez	8	10			

## MATERIAL LIST:

Crane

## JOB DESCRIPTION:

Removing hydraulic rams off Cranes

SUBMITTED BY:



DATE:

9-8-97

Revised July, 1997

DECLASSIFIED

09/30/2010

PD 000159

# HERCULES

MARINE SERVICES CORPORATION

P. O. Drawer O • Freeport, Texas 77541

INVOICE NO. : 4002

DATE : 8-1-97

Job No. : 8-5635

Location : Freeport, TX

TO: Hercules Offshore Corporation  
11011 Richmond Ave., Suite 500  
Houston, Texas 77042

PLEASE REMIT PAYMENTS TO:  
11011 RICHMOND  
SUITE 500  
HOUSTON, TX. 77042

Terms : Net 30

FOR: Services to Rig 2 as follows:

Miscellaneous duties for Rig 2 such as:  
Use of Crane for offloading trucks, workboat (Seabulk Georgia); moving equipment and putting into basket.  
Moving drilling equipment on dock area, load workboat (Wave Tide), loading of pipe, tanks, panels.

LABOR:	Journeyman	193 Hrs.	@	\$ 33.00/Hr.	\$ 6,369.00
MATERIAL:	\$113.75	Plus 10%	@	\$ 11.37	\$ 125.12

TOTAL AMOUNT DUE \$ 6,494.12

DECLASSIFIED  
09/30/2010

PHONE: (409) 233-6371

PD 000160

## DAILY TIME LOG

DATE:	5-16-97	CUSTOMER:	
JOB NO:	8-5635	BARGE:	Hercules Offshore Rig #2

START TIME 5:00 PM

STOP TIME

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
F. S. Petter	2	2			

## MATERIAL LIST:

100 Ton Crane

## JOB DESCRIPTION:

Off load two trucks - 1 - Galley &amp; 1 - Sleeping Quarters

SUBMITTED BY: [Signature]

DATE: 5-16-97

Revised July, 1997

DECLASSIFIED 09/30/2010

PD 000161



## HERCULES MARINE SERVICES

## DAILY TIME LOG

DATE:	5-17-97	CUSTOMER:	Simco
JOB NO:	8-5635	BARGE:	Hercules Offshore Rig #2

START TIME 2:00 AM

STOP TIME

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. Pettit	2	2			

## MATERIAL LIST:

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## JOB DESCRIPTION:

Offload Truck - 2 fuel tanks, 2 cargo tanks, 1 valve.  
4" 5000 Mch.

SUBMITTED BY:

Sam Pettit

DATE:

5-17-97

Revised July, 1997

DECLASSIFIED  
09/30/2010

PD 000162

## HERCULES MARINE SERVICES

## DAILY TIME LOG

DATE:	5-17-97	CUSTOMER:	
JOB NO:	8-5635	BARGE:	Hercules Offshore Rig #2

START TIME 12:00 PM

STOP TIME 4:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
K. S. + L. H.	4	4.5			
C. Duarte	4	4			
Juan Quiñero	4	4			
Juan Herrera	4	4			
Jose Casas	4	4			

## MATERIAL LIST:

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## JOB DESCRIPTION:

Off shore work boat - Sea Buik Georgia

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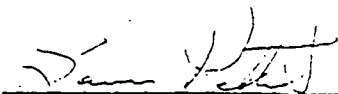


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SUBMITTED BY:



DATE:

5-17-97

Revised July, 1997

20.5

 DECLASSIFIED  
 09/30/2010

PD 000163

## HERCULES MARINE SERVICES

## DAILY TIME LOG

DATE:	<u>8-21-97</u>	CUSTOMER:	<u>Hercules Offshore</u>
JOB NO:		BARGE:	<u>Rip #2 - Miss.</u>

START TIME 8:00 AMSTOP TIME 12:00 AM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
<u>R. S. Felt</u>	<u>1</u>	<u>1</u>			

MATERIAL LIST:

CraneDECLASSIFIED  
09/30/2010

JOB DESCRIPTION:

Moving Equipment - jack, dows and etc. putting into basket

SUBMITTED BY:

Sam Felt

DATE:

8-21-97

Revised July, 1997

PD 000164

## HERCULES MARINE SERVICES

## DAILY TIME LOG

DATE:	8-22-97	CUSTOMER:	Samuel
JOB NO:		BARGE:	Hercules Rig #2 - Misc

START TIME 12:30 PM

STOP TIME 5:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. Pettit	<del>4</del> 1	5			

## MATERIAL LIST:

Crane

## JOB DESCRIPTION:

load Work Boat (M/V Seabulk Georgia) - 1-Sleeper,  
 2-pipe rack panels, tool house, Elec. tool house, 2-Strong backs,  
 2-Mud Tanks, 1-Air Compressor, 1-Mud Mixing tank, 4-Breakwater  
 tanks, & Misc.

SUBMITTED BY:

Sam Pettit

DATE: 8-22-97

Revised July, 1997

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 09/30/2010

PD 000165

## HERCULES MARINE SERVICES

## DAILY TIME LOG

DATE:	8-22-97	CUSTOMER:	Hercules Offshore
JOB NO:		BARGE:	Rig #2 Triss

START TIME 8:00 AMSTOP TIME 12:00 AM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. Pettit	4	4			

## MATERIAL LIST:

Crane

## JOB DESCRIPTION:

Moving Drilling Equipment on deck area-

SUBMITTED BY:

Sam Pettit

DATE:

8-22-97

Revised July, 1997

DECLASSIFIED  
09/30/2010

PD 000166

## HERCULES MARINE SERVICES

## DAILY TIME LOG

DATE:	8-23-97	CUSTOMER:	Samadan
JOB NO:		BARGE:	Hercules Rig #2 Misc

START TIME 11:00 AM

STOP TIME 3:00 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Rob. Peltit	4	4			

## MATERIAL LIST:

Crane

## JOB DESCRIPTION:

Load Work Boat - (M/V Wave Tide) - Mast lower Section,  
 Drill floor, Drawworks, Compound skid, Choke Manifold cantilever,  
 Accumulator unit w/ cantilever, 1st drill floor walkways, Drill floor stairs,  
 Basket wiring, Basket w/ skidding jacks & claws, Cable trays,  
 Grocery box, Drill line

SUBMITTED BY:

Sam Peltit

DATE:

8-23-97

Revised July, 1997

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 09/30/2010

PD 000167

## HERCULES MARINE SERVICES

## DAILY TIME LOG

DATE:	8-24-97	CUSTOMER:	Samadan
JOB NO:		BARGE:	Hercules Rig #2 Rise

START TIME 8:00 AM

STOP TIME 3:00 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. Pettit	6.5	6.5			

## MATERIAL LIST:

Crane

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## JOB DESCRIPTION:

Load Work Boat (Seabulk Georgia), 4-Pipe Rack panels  
SCR house, 2-Generators, 2-pipe rack structures, transformer  
house, Stairs, Mud pump, Fuel tank, Etc.  
Moving tanks, pump skid, Sections of derrick to deck for  
Load Out. Off load 20" Casing off Seabulk Alaba

SUBMITTED BY: Sam Pettit

DATE: 8-4-97

## HERCULES MARINE SERVICES

## DAILY TIME LOG

DATE:	8-25-97	CUSTOMER:	Hercules Offshore
JOB NO:		BARGE:	Rig #2 Misc

START TIME 11:00 AMSTOP TIME 12:00 AM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. Pettit	1	1			

MATERIAL LIST:

CraneDECLASSIFIED  
09/30/2010

JOB DESCRIPTION:

Load Ace Truck - BOP's

SUBMITTED BY:

Sam Pettit

DATE:

8-25-97



## DAILY TIME LOG

DATE:	8-25-97	CUSTOMER:	Samuelan
JOB NO:		BARGE:	Hercules Rigo # 2 Risc

START TIME 6:00 AM

STOP TIME 11:00 AM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R. S. Pettit	3 <sup>2</sup>	5			

## MATERIAL LIST:

Crane

## JOB DESCRIPTION:

Load Work Boat - (MV Wave Tide) - 1 - Mast Crown Section, 2 - Mast middle sections, 1 - Racking board & belly board, 1 - Traveling block, 2 - piperack panels, 1 - Generator bldg, 1 - Mud mixing Skid,

SUBMITTED BY:

Samuelan

DATE:

8-25-97

## HERCULES MARINE SERVICES

DECLASSIFIED  
09/30/2010

## DAILY TIME LOG

DATE:	8-25-97	CUSTOMER:	Hercules Offshore
JOB NO:		BARGE:	Rig #2

START TIME 12:30 PMSTOP TIME 3:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R. S. Pettit	3	3			

## MATERIAL LIST:

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## JOB DESCRIPTION:

Setting up of pipe rack, remove 20" Split Cusson to dock  
for land out, Move Shacker Stand for cleaning and Palating

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SUBMITTED BY: Sam Pettit

3

DATE: 8-25-97

## HERCULES MARINE SERVICES

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## DAILY TIME LOG

DATE:	8-26-97	CUSTOMER:	Samuelson
JOB NO:		BARGE:	Hercules Rig #2

START TIME 2:30 PM

STOP TIME 5:00 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. Pettit	<del>2</del> 2.5	2.5			

## MATERIAL LIST:

Crane

## JOB DESCRIPTION:

Offload and bundle 3-truckloads of pipe

SUBMITTED BY:

Sam Pettit

2.5

DATE:

8-26-97

## HERCULES MARINE SERVICES

DECLASSIFIED  
09/30/2010

## DAILY TIME LOG

DATE:	8-26-97	CUSTOMER:	Samuelson
JOB NO:		BARGE:	Hercules Rig #2

START TIME 7:00 AM

STOP TIME 2:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. Pettit	<del>6</del> <sup>1</sup>	7			

## MATERIAL LIST:

Crane

## JOB DESCRIPTION:

Load work boat (Seabulk Georgia), 3-P-Tanks,  
2-panels, pipewalk, pipe ramp & stairs to piperack,

SUBMITTED BY:

Samuelson

DATE:

8-26-97

## HERCULES MARINE SERVICES

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09/30/2010

## DAILY TIME LOG

DATE:	8-26-97	CUSTOMER:	
JOB NO:	5626	BARGE:	OFFSHORE RIG 2

START TIME 8:00 AM

STOP TIME 4:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Carroll	8				
Diener	8				
Dueto	2				

## MATERIAL LIST:


PD 000174

## JOB DESCRIPTION:

Locate & Move 2 set of Prop boxes to set up
Gen Boxes. Sandblast and Paint (4) Generator Boxes.

SUBMITTED BY:

Wanda Dueto 18

DATE:

8-26-97

## HERCULES MARINE SERVICES

## DAILY TIME LOG

DATE:	8-27-97	CUSTOMER:	Samedan
JOB NO:		BARGE:	Hercules Rig

START TIME 8:00 Am

STOP TIME 11:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R. S. Pettit	<del>7.5</del> 2.5	10			
Juan Quiñero	<del>4</del> 2	6			
Lazaro Cruz	<del>4</del> 2	6			
Domingo Guel	<del>0</del> 2.5	2.5			
Claudio Duarte	<del>1.5</del> 2.5	4			
Daniel Hernandez	<del>0</del> 2	2			

MATERIAL LIST:

Crane

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JOB DESCRIPTION:

Setting up of drill pipe and collars for Inspection,  
 bundling pipe into 8 joint per bundle,  
 load onto work boat (wave tide) - 13 bundles of drill pipe -  
 3- 7 3/4 Drill collars, Separate and rebundle drill pipe

SUBMITTED BY:

Sam Pettit

DATE: 8-27-97

Revised July, 1997

20.5

PD 000175

## HERCULES MARINE SERVICES

## DAILY TIME LOG

DATE:	8-27-97	CUSTOMER:	Offshore/Hercules
JOB NO:	5635	BARGE:	Miscellaneous/Rig 2

START TIME 8:00 AM

STOP TIME 12:00 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Aladdin	4				
Assistant	4				
Crew	4				

## MATERIAL LIST:


PD 000176

## JOB DESCRIPTION:

Collect (Pick up) all waste oil Drums for Disposal around Crane (Left side from Rig 2). Pick up Spilt oil and rags from ground on Hard point area. Gather & Dispose off all Paint cans.

SUBMITTED BY:

Aladdin-Crew 12

DATE:

8-27-97

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09/30/2010

HERCULES MARINE SERVICES

DAILY TIME LOG

DATE:	8-28-97	CUSTOMER:	Hercules
JOB NO:		BARGE:	Hercules Rig #2

START TIME \_\_\_\_\_

STOP TIME \_\_\_\_\_

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Daniel Hernandez	8 1.5	9.5			
Juan Quintana	3	3			
Domingo Guzel	8 1.5	9.5			

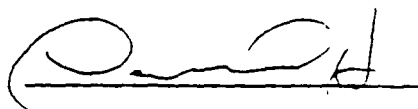
MATERIAL LIST:

PD 000177

JOB DESCRIPTION:

Setup of drill pipe on rack for Inspection, and  
rebundle pipe after Inspection

SUBMITTED BY:

 12

DATE:

8-28-97



## DAILY TIME LOG

DATE:	8-28-97	CUSTOMER:	Hercules Offshore
JOB NO:	8-5635	BARGE:	Hercules Rig #2

START TIME 1:30 PMSTOP TIME 9:00 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. Pettit	<del>3</del> 4.5	7.5			

## MATERIAL LIST:

Truck

## JOB DESCRIPTION:

Pickup two personnel at PHI Galveston and take to  
Industrial Medical Freeport, then Emergency room at Memorial Hospital  
Lake Jackson - Doctor released at 8:30 PM, take to Hercules  
Yard, Freeport

SUBMITTED BY:

Sam Pettit 115

DATE:

8-28-97

Revised July, 1997

PD 000178

## DAILY TIME LOG

DATE:	8-28-97	CUSTOMER:	Sainchaun
JOB NO:	8-5635	BARGE:	Hercules Rig #2

START TIME 8:00 AM

STOP TIME 1:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. Peltier	5	5			

## MATERIAL LIST:

Crane

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## JOB DESCRIPTION:

Set up <sup>drill</sup> pipe for inspection and rebradle

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SUBMITTED BY:

Sam Peltier

5

DATE:

8-28-97

Revised July, 1997

PD 000179

START TIME 4:00 Am STOP TIME 3 hrs. Call Out

MATERIAL LIST:

Crane

**JOB DESCRIPTION:**

Lead 3- Drill Collars

**SUBMITTED BY:**

*Sam R. Hill*

DATE:

8-28-97

Revised July, 1997

DECLASSIFIED  
09/30/2010

PD 000180

## DAILY TIME LOG

DATE:	8-29-97	CUSTOMER:	Samadani
JOB NO:	8-5635	BARGE:	Hercules Rig #2

START TIME 8:00 AM

STOP TIME 2:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. [Signature]	6.5	6.5			

## MATERIAL LIST:

Crane

PD 000181

## JOB DESCRIPTION:

Gathering Material to load onto Crew boat and loading Crew Boat (M/V Albany) - Grocery box, Ice Machine, 8" pipe T, Oxygen & Acetylene, Walk ways, basket with Misc. tools, Grading - 3 sheets, deep well pipe, and Elec Cable

SUBMITTED BY:

Sam [Signature] 6.5

DATE:

8-29-97

## HERCULES MARINE SERVICES

## DAILY TIME LOG

DATE:	8-28-97	CUSTOMER:	Hercules Offshore
JOB NO:	8-5635	BARGE:	Big 2

START TIME 8:00 am.

STOP TIME 2:30 pm.

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Quarte	1.6				
Pring	1.6				
Quarte	1.6				

MATERIAL LIST:

PD 000182

JOB DESCRIPTION:

Moving Drill Pipe from one rack to the other to be cleaned.

SUBMITTED BY:

A. J. Lewis

DATE:

8-29-97

## HERCULES MARINE SERVICES

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09/30/2010

## DAILY TIME LOG

DATE:	8-30-97	CUSTOMER:	Samuelson
JOB NO:	8-5635	BARGE:	Hercules Barge #2

START TIME \_\_\_\_\_

STOP TIME \_\_\_\_\_

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. Pelt	2	2			
Jose Casas	2	2			

MATERIAL LIST:

PD 000183

Crane

JOB DESCRIPTION:

Off Load Work Boat - (Seabulk Georgia)  
Crane package

SUBMITTED BY:

Sam Pelt

4

DATE:

8-30-97

Aug 197

[illegible]

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09/30/20  
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PD 000184

# HERCULES

MARINE SERVICES CORPORATION

P. O. Drawer O • Freeport, Texas 77541

INVOICE NO. : 3982

DATE : 7-31-97

Job No. : 7-5615

Location : Freeport, TX

TO: Hercules Offshore Corporation  
11011 Richmond Ave., Suite 500  
Houston, Texas 77042

PLEASE REMIT PAYMENTS TO:  
11011 RICHMOND  
SUITE 500  
HOUSTON, TX. 77042

Terms : Net 30

FOR: Services to Rig 3 as follows:

Miscellaneous yard work - disposal of 20 barrels,  
55-gallon, of oil. Pick up all paint cans on yard,  
disposal of more chemical out of tank, sealing oil  
filters for disposal, clean hydraulic oil out of  
pollution pan on pedestal crane and absorbent pads.

LABOR:	Journeyman	38 Hrs.	@	\$ 33.00/Hr.	\$ 1,254.00
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MATERIAL:	\$1,579.27	Plus 10%	@	\$157.92	\$ 1,737.19
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PHONE USAGE DURING RIG 3 PROJECT OPERATIONS:					\$ 300.00
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TOTAL AMOUNT DUE					\$ 3,291.19
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DECLASSIFIED 09/30/2010

PHONE: (409) 233-6371

PD 000185



## HERCULES MARINE SERVICES

## DAILY TIME LOG

DATE:	7-23-97	CUSTOMER:	Hercules Offshore
JOB NO:		BARGE:	Hard Work

START TIME 8:00 AM

STOP TIME 5:00 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Dunette	8 1/2				
River	2				
Pass	8 1/2				
Man	8 1/2				
Painter	8 1/2				

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MATERIAL LIST:

## JOB DESCRIPTION:

Open Barrels (20/55 GAL.) off rig for Disposal.  
 Picking up all Paint left scattered on ground.  
 Removed more (styrene) chemicals out of Tank for Engine  
 Sealing Oil Filters in Seal tight Barrels for Disposal

SUBMITTED BY:

Claudio Dunette  
 36

DATE:

7-23-97

Revised July, 1997

PD 000186

## HERCULES MARINE SERVICES

## DAILY TIME LOG

DATE:	7-21-97	CUSTOMER:	Hercules Offshore
JOB NO:		BARGE:	Yard Misc.

START TIME 8:00 AMSTOP TIME 10:00 AM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
P.S. Pettit	2	2			

## MATERIAL LIST:


## JOB DESCRIPTION:

Clean hydraulic oil out of pollution pan on pedestal Crane  
and absorbent pads.

SUBMITTED BY:

Sam Pettit

DATE:

7-21-97

Job #

5-5501

12/24/97  
3/5/98  
15/4/21

Mud Tanks

5-548 (estimate versus original invoice) 3214  
all projects May 1997

PO Number	Date	Vendor Name	Description	Invoice # & Date	Est. Cost	Total Cost	Date Sent to Jone	Billed to Job
92330	5/2	Ace Supply/ Royalty Welding	grinding disks, welding rods Beveling Machine, Machine Touch	0263873 5/31/97	1217 <sup>60</sup>	<del>1348<sup>53</sup></del>	6/12	✓
92331	5/2	Ace Supply/ AMR	face shields (21 <sup>55</sup> ) rental of 16 ton Ram (400 day)	0263334 (5/28) 0264566 (4/1)	21 <sup>55</sup> 2900	<del>2325</del> 3019	6/10	✓
92336	5/5	McLill Maintenance	8 lifting eyes	0263860 5/31/97		<del>928<sup>1</sup></del>	6/10	✓
92362	5/12	Cyclone Steel	8 Mud Tank Clamps	0259430-11 5/4		<del>2000</del>	5/21	✓
92389	5/19	Ace Supply/ Brayco Fasteners	16- 7/8" x 3" Bolts w/nuts & washers	0266745 6/19	<del>2640</del>	3024	7/10	384
92392	5/19	Ace Supply/ Brayco Fasteners	60- 7/8" x 2" Galvanized Bolts w/nuts 18- 3/8" x 2" U Bolts	0266747 (6/19) 0266744 (6/19)	<del>1800</del> 2700	2052 3660	7/10	252 360
92393	5/19	Ace Supply/Marine & Industrial specialties	10ft. 316 PC Chain 25ft. 38 PC Chain	0271174 7-14-97	<del>4645</del>	5500	7/29	825
92391	5/19	Ace Supply/ Metal Supply	1/4" x 5' x 20' flat Bar. 1/4" x 3' x 20' flat Bar 1/4" x 4' x 20' flat Bar, 3/4" x 20' rebar	0262429 5/21/97	<del>79746</del>	88620	6/2	✓
4-5458 92267	5/1	Viking Freight	Freight Charges	752358911 3/31/97		<del>12366</del>	5/23	✓
5-5501 92362	5/15	Viking Freight	Freight Charges	882221338 5/15/97		<del>5810</del>	5/23	✓

92418 5/23 Ace Supply 16- 1 1/4" Bolts w/nuts 0271156 7-12-97 1926 9212 7/10 1398

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09/30/20  
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PD 000188

Job #

5-5505

6-5552

BOP Trolley

May 1997

PO Number	Date	Vendor Name	Description	Invoice # & Date	Est. Cost	Total Cost	Date Sent to Joni	Billed to Job
92334	5/5	McGill Maintenance	4 pins fabricated - 2 in diam 12 pad eyes drilled	0363849(2/30)	732.00	557.22		✓
92361	5/12	McGill Maint.	4-1 1/2" pins fabricated	0370177 7-14 97	516.00	602.22	7/28	42.22 #
92363	5/13	Ace Supply Brays Fasteners	4-1 1/2" Nuts 4-1 1/2" Lock Washers	0363163 5/27/97		21.60	6/10	✓
92380	5/15	Ace Supply/ McGill Maintenance	4-Roller Assemblies 8-Pads	0363855 5/30/97		223.16	6/10	✓

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09/30/2010

PD 000189

(4722)

Crane Support Assy-

June 1997

[illegible]

(15728)

Job #

5-5508

6-5555

Crane Support Assy

DECLASSIFIED  
09/30/2010

May 1997

PO Number	Date	Vendor Name	Description	Invoice # & Date	Est. Cost	Total Cost	Date Sent to Jnl	Billed to Job
92355	5/9	Ace Supply/ Metal Supply	4" Sch 40 pipe, 6" Sch 40 pipe 6" Sch 120 pipe, 6" x 1/2" sq. tubing W18x60 A572, W24x55 A572	0261515/4/97 0261508/5/97 026394/5/97	7426 <sup>70</sup>	3735 <sup>67</sup> 524 <sup>78</sup> 2106 <sup>42</sup>	6/19	✓
92356	5/9	Ace Supply/ Air Liquide	Wash Tips, Cutting Tips 7018 1/4" LH, 7018 3/4" LH 7" grinding discs	0263307 5/28	497 <sup>94</sup>	550 <sup>13</sup>	6/10	✓
92403	5/21	Ace Supply/ Metal Supply	8'x10'x1" A36 Plate 1/2" x 3" x 40' Gal Bar	0263858 5/30/97	1115 <sup>15</sup>	1291 <sup>77</sup>	6/12	✓
92410	5/22	Ace Supply Briggs & Weaver	1 1/2" drill - #4 Morse	9770602-10 5/27/97		98 <sup>25</sup>	6/12	✓
92415	5/23	Ace Supply McMill Maintenance	Fab pins Drill holes for pin eyes	0270212 7-17-97	1346 <sup>20</sup>	1583 <sup>71</sup>	7/29	237 <sup>57</sup>
92427	5/29	Ace Supply/ Metal Supply	1- 3/16" Plate 8'x8'	0270013 7-11-97	195 <sup>85</sup>	230 <sup>38</sup>	7/29	34 <sup>53</sup>

(277 15)

glt

6 559

Misc. Work Done in Yard

5-5512

changed to May 1997

PO Number	Date	Vendor Name	Description	Invoice # & Date	Est. Cost	Total Cost	Date Sent to Joni	Billed to Job
92347	5/7	Ace Supply/ Air Liquide	2 Bottles Oxygen for Rig 3 Tear Down	0263344 5/28	275 <sup>56</sup>	<del>275<sup>56</sup></del>	6/10	✓
92348	5/7	Ace Supply/ Air Liquide	2 Bottles Oxygen 6 Bottles Acetylene	0263345 5/28	236 <sup>00</sup>	<del>198<sup>24</sup></del>	6/10	✓
92372	5/14	Barrup Starter & Alternator Serv.	Alternator for Crane	0263758 5/30	199 <sup>34</sup>	<del>229<sup>13</sup></del>	6/10	✓
92373	5/14	Ace Supply/ Air Liquide	Cylinder Rental for 4/1/97 to 4/30/97	0261567 5/14	416 <sup>67</sup>	<del>416<sup>67</sup></del>	6/3	✓
92377	5/15	Ace Supply/ Air Liquide	1/4 x 50 ft pressure hoses	0263305 5/28	342 <sup>6</sup>	<del>380<sup>8</sup></del>	6/10	✓
92376	5/15	Omyrka	18- 5gal bottles water 10pkg fillers 10pkg 4 1/2oz. cones cups	07F0012137 6/12	175 <sup>00</sup>	<del>244<sup>50</sup></del>	6/24	✓
92381	5/15	Ace Supply/ Specialty Sand	1 load Abrade-Away- Medium Bulk	131921 5/16/97	2000 <sup>00</sup>	<del>1530<sup>12</sup></del>	5/22	✓
92383	5/16	Ace Supply/ Air Liquide	Oxygen, Acetylene, 3/32" 5P, 1/8" 701#, 4 1/2 x 1/8 x 7/8-11 discs	0266804/6/11 026768/6/11	78 <sup>75</sup> 1188 <sup>60</sup>	9051 <del>1608<sup>42</sup></del>	7/10 7/10	11.76 419 <sup>82</sup>
92384	5/16	Ace Supply/ Oil Patch	1000 gal diesel	0263637 5/29	701 <sup>70</sup>	<del>805<sup>41</sup></del>	6/17	✓
92390	7/19	Ace Supply/ AMR	Rental of Track Torch 1 month	0266745 6/19	50 <sup>00</sup> day 533 <sup>36</sup>	<del>113<sup>04</sup></del>	7/1	✓

(43164)

Job #

5-5512

Misc work on

Rig 3

6-5559

✓ changed to job

Pg. 2

4 May 1997

PO Number	Date	Vendor Name	Description	Invoice # & Date	Est. Cost	Total Cost	Date Sent to Jone	Billed to Job
92385	5/16	Ace Supply/ Sigma	24 gal 7415A, 8 gal 10 gal zinc 8 gal 7456-5381A 10 gal Thinner	0262217 5/20/97		902 <sup>60</sup>	5/28	✓
92412	5/22	Ozarka	25 - 5 gal water 8 <sup>50</sup> bottle	01F00010131770 6/10/97	212 <sup>50</sup>	317 <sup>75</sup>	6/11	✓
92414	5/23	Ace Supply AMR	Rental for 2 welding machines	0266746 (6/14) 0266746 (6/14)	320 <sup>00</sup>	189 <sup>26</sup> 189 <sup>26</sup>	7/1	✓
92430	5/30	Ace Supply/ Air Liquide	#24 Misc. welding supplies	0266814 6/19/97	572 <sup>27</sup> 55	653 <sup>87</sup>	7/8	81 <sup>60</sup>
92432	5/30	Ace Supply/ Royalty Welding	2 Oxygen 2 acetylene 4 Cone Rocks	0270763 6/27/97	269 <sup>16</sup> 944	316 <sup>66</sup> 11 <sup>11</sup>	7/29	47 <sup>52</sup> 167
92434	5/30	Ozarka	18 - 5 gal. bottles water 8 <sup>50</sup> bottle	01F00010131770 6/10/97	153 <sup>00</sup> 212 <sup>50</sup>	82 <sup>30</sup>	6/24	✓
92385	5/16	Ace Supply Sigma	Freight on paint	0263872 5/30		4494	6/17	✓
92438	5/30	Ace Supply Air Liquide	Oxygen & acetylene (Delivered 6-2)	0266220 6/19/97	235 <sup>50</sup>	415 <sup>76</sup>	7/8	180 <sup>26</sup>

(31103)



## Mud Pump Package

June 1997

(11.915)

000006265

Account Number	Bill Date	Payment Due Date
730 2949 001	JUN 28, 1997	JUL 28, 1997



MERCULES OFFSHORE  
PO DRAWER 0  
FREEPORT TX 77542-1915

AT&T Business Service

For Customer Care: 1 800 524-2455

ACCOUNT STATUS

EVIOUS BALANCE \$571.75  
MENT RECEIVED 6/24/97 \$82.53  
JUSTMENTS \$0.00  
TAL CURRENT CHARGES \$331.18  
  
TAL AMOUNT DUE \$820.40

TOTAL DISCOUNTS

The Total Long Distance Discount  
For Your Account Is \$122.10

*fcf*  
*7-17-97*  
*AT*

\*\*\*\* Important News About Your Account \*\*\*\*

Just For Your Business

our continuing effort to be environmentally conscious, next month your bill will contain information printed on both sides; therefore, please be sure to check both sides of each page.

Account Status

ur account is past due. If you have sent your payment, please disregard this notice. ou have chosen to receive the environmental bill format to save paper.

PLEASE MAKE CHECKS PAYABLE TO AT&T AND INCLUDE YOUR ACCOUNT NUMBER ON PAYMENT.  
PLEASE MAKE SURE THAT THE AT&T P.O. BOX ADDRESS IS SHOWING THROUGH THE ENVELOPE WINDOW.

ENSURE PROPER CREDIT, PLEASE DETACH THIS PORTION AND RETURN WITH REMITTANCE.

004517 4 SP 1.01 S35  
HERCULES OFFSHORE  
PO DRAWER 0  
FREEPORT TX 77542-1915

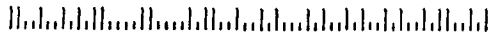


Account Number: 019 730 2949 001  
Bill Date: JUN 28, 1997  
Payment Due Date: JUL 28, 1997

Total Amount Due: \$820.40  
Amount Enclosed: \$

Please send Payments to:  
AT&T  
P.O. BOX 78522  
PHOENIX, AZ  
85062-8522

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ph number has  
see reverse side.



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PD 000195

Account Number	Bill Date	Payment Due Date
730 2949 001	JUN 28, 1997	JUL 28, 1997



MERCULES OFFSHORE  
PO DRAWER D  
FREEPORT TX 77542-1915

# T&T Business Service

## Summary of Charges

EXPLANATION	AMOUNT
<b>SAGE CHARGES</b>	
LONG DISTANCE SERVICE	
OUTBOUND	
Usage Eligible For Discount	\$407.00
Usage Ineligible For Discount	15.34
<b>SUBTOTAL</b>	<b>\$422.34</b>
<b>DISCOUNT ACTIVITY</b>	
LONG DISTANCE SERVICE	\$122.10%
<b>SUBTOTAL</b>	<b>\$122.10%</b>
<b>AXES</b>	
LONG DISTANCE SERVICE	
Federal Tax	\$9.09
State Tax	18.94
Local Tax	0.09
TX INFRASTRUCT. FUND REIMB.	2.76
TELEPHONE TAX	0.03
9-1-1 SURCHARGE	0.03
<b>SUBTOTAL</b>	<b>\$30.94</b>
<b>TOTAL CURRENT CHARGES</b>	<b>\$331.18</b>

## Discount Activity

DISCOUNT ACTIVITY FOR ENTIRE ACCOUNT	DISCOUNT AMOUNT
<b>AT&amp;T SERVICE ANNIVERSARY PLAN STATUS</b>	
Points This Month 407	
Total Points Earned To Date 1,409	
<b>CONGRATULATIONS!</b> You are closer to even greater savings. Your Service Anniversary credit will equal 5% of your total points and will be applied to your November 1997 bill.	
LONG DISTANCE SERVICE	
Volume Discount on \$407.00 at 10.00%	\$40.70%
Promotion Credit(s)	\$81.40%
<b>SUBTOTAL</b>	<b>\$122.10%</b>
<b>TOTAL</b>	<b>\$122.10%</b>

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Account Number	Bill Date	Payment Due Date
730 2949 001	JUN 28, 1997	JUL 28, 1997

MERCULES OFFSHORE  
PO DRAWER 0  
FREEPORT TX 77542-1915&T Business Service  
Account Activity

ACCOUNT	EXPLANATION	USAGE ELIGIBLE FOR DISCOUNT	DISCOUNT PERCENTAGE	DISCOUNT AMOUNT
30UND 9 233 6371 007 MERCULES OFFSHORE. DRAWER 0 FREEPORT TX 77542-1915	LONG DISTANCE SERVICE			
	Volume Discount	\$17.97	10.00%	\$1.80
	Competitive Advantage Offer Credit		20.00%	\$3.57
	SUBTOTAL			\$5.37
30UND 9 233 6371 509 MERCULES OFFSHORE DRAWER 0 FREEPORT TX 77542-1915	LONG DISTANCE SERVICE			
	Volume Discount	\$389.03	10.00%	\$38.90
	Competitive Advantage Offer Credit		20.00%	\$77.83
	SUBTOTAL			\$116.73
TOTAL				\$122.10

Due to rounding the location discount may differ slightly from the total discount at the national level.

## Summary of Usage by Call Type

CALL TYPE	NUMBER OF CALLS	DURATION (hh:mm:ss)	USAGE INELIGIBLE FOR DISCOUNT	USAGE ELIGIBLE FOR DISCOUNT	DISCOUNT AMOUNT	POST DISCOUNT AMOUNT
LONG DISTANCE						
RECEIVED OUTBOUND						
DIRECT DIAL						
Interstate	449	21:26:28	\$0.22	\$394.75	\$118.41	\$276.34
In-State	17	1:04:12		12.25	3.69	8.56
OPERATOR HANDLED						
Interstate	2	13:00	11.76			
DIRECTORY ASSIST						
Interstate	4		3.80			
TOTAL	472	22:43:40	\$15.34	\$407.00	\$122.10	\$284.90

## Summary by Subaccount

SUBACCOUNT	EXPLANATION	AMOUNT
9 233 6371 007 MERCULES OFFSHORE DRAWER 0 FREEPORT TX 77542-1915	LONG DISTANCE SERVICE 63 Total Calls 0:57:19 Total Minutes/Seconds Long Distance Charges Federal Tax State Tax Local Tax TX INFRASTRUCT. FUND REIMB. TOTAL LONG DISTANCE CHARGES	\$12.60 0.38 0.79 0.01 0.12 \$13.90

Account Number	Bill Date	Payment Due Date
19 730 2949 001	JUN 28, 1997	JUL 28, 1997



HERCULES OFFSHORE  
PO DRAWER 0  
FREEPORT TX 77542-1915

**T&T Business Service**  
**Summary by Subaccount**

SUBACCOUNT	EXPLANATION	AMOUNT
	<b>SUBTOTAL</b>	<b>\$13.90</b>
409 233 6371 509 HERCULES OFFSHORE PO DRAWER 0 FREEPORT TX 77542-1915	<b>LONG DISTANCE SERVICE</b> 409 Total Calls 21:46:21 Total Minutes/Seconds Directory Assistance \$3.80 Long Distance Charges 283.84 Federal Tax 8.71 State Tax 18.14 Local Tax 0.08 TX INFRASTRUCT. FUND REIMB. 2.65 TX POISON CONTROL SURCHARGE 0.02 9-1-1 SURCHARGE 0.02 <b>TOTAL LONG DISTANCE CHARGES \$317.26</b>	
	<b>SUBTOTAL</b>	<b>\$317.26</b>
	<b>TOTAL</b>	<b>\$331.16</b>

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PD 000198

Account Number	Bill Date	Payment Due Date
730 2949 001	JUN 28, 1997	JUL 28, 1997



HERCULES OFFSHORE  
PO DRAWER 0  
FREEPORT TX 77542-1915

Account: 409 233 6371 007

# &T Business Service

## Summary of Charges

ACCOUNT STATUS	TOTAL DISCOUNTS
ADJUSTMENTS \$0.00	The Total Long Distance Discount
TOTAL CURRENT CHARGES \$13.90	For Your Account Is \$5.37
LOCATION AMOUNT \$13.90	

EXPLANATION	AMOUNT
PAGE CHARGES	
LONG DISTANCE SERVICE OUTBOUND	
Usage Eligible For Discount	\$17.97
<b>SUBTOTAL</b>	<b>\$17.97</b>
DISCOUNT ACTIVITY	
LONG DISTANCE SERVICE	\$5.37
<b>SUBTOTAL</b>	<b>\$5.37</b>
LONG DISTANCE SERVICE	
Federal Tax	\$0.38
State Tax	0.79
Local Tax	0.01
TX INFRASTRUCT. FUND REIMB.	0.12
<b>SUBTOTAL</b>	<b>\$1.30</b>
<b>TOTAL CURRENT CHARGES</b>	<b>\$13.90</b>

## Discount Activity

ACCOUNT	EXPLANATION	USAGE ELIGIBLE FOR DISCOUNT	DISCOUNT PERCENTAGE	DISCOUNT AMOUNT
BOUND 9 233 6371 007 RCULES OFFSHORE DRAWER 0 FREEPORT TX 77542-1915	LONG DISTANCE SERVICE			
	Volume Discount	\$17.97	10.00%	\$1.80
	Competitive Advantage Offer Credit		20.00%	\$3.57
	<b>TOTAL</b>			<b>\$5.37</b>

Due to rounding the location discount may differ slightly from the total discount at the national level.

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PD 000199

Account Number	Bill Date	Payment Due Date
19 730 2949 001	JUN 28, 1997	JUL 28, 1997



HERCULES OFFSHORE  
PO DRAWER 0  
FREEPORT TX 77542-1915

Account: 409 233 6371 007

# T&T Business Service

## Summary of Usage by Call Type

CALL TYPE	NUMBER OF CALLS	DURATION (hh:mm:ss)	USAGE INELIGIBLE FOR DISCOUNT	USAGE ELIGIBLE FOR DISCOUNT	DISCOUNT AMOUNT	POST DISCOUNT AMOUNT
LONG DISTANCE						
ITCHED OUTBOUND						
DIRECT DIAL						
Interstate	60	52:19		\$17.09	\$5.10%	\$11.99
In-State	3	5:00		0.88	0.27%	0.61
<b>TOTAL</b>	<b>63</b>	<b>57:19</b>	<b>\$0.00</b>	<b>\$17.97</b>	<b>\$5.37%</b>	<b>\$12.60</b>

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PD 000200



Account Number	Bill Date	Payment Due Date
9 730 2949 001	JUN 28, 1997	JUL 28, 1997
Account: 409 233 6371 007		



MERCULES OFFSHORE  
PO DRAWER 0  
FREEPORT TX 77542-1915

# T Business Service

## II Detail

#	DATE	TIME (hh:mm:ss)	PLACE	AREA CODE/ NUMBER	DURATION (hh:mm:ss)	CALL TYPE	TIME OF DAY	POST DISCOUNT AMOUNT
ONG DISTANCE SERVICE LIGIBLE FOR DISCOUNT Billed Number: 409 233-6375								
1	5/29/97	7:44:01A	TO LAFAYETTE	LA 318 237-9575	0:45	DDC	OPEAK	0.12
2	5/30/97	8:15:04A	TO LAFAYETTE	LA 318 237-9575	0:44	DDC	PEAK	0.17
3	5/30/97	1:45:21P	TO LAFAYETTE	LA 318 237-9575	1:29	DDC	PEAK	0.35
4	5/30/97	2:51:40P	TO LAFAYETTE	LA 318 237-9575	1:16	DDC	PEAK	0.30
5	6/02/97	8:01:57A	TO LAFAYETTE	LA 318 237-9575	2:11	DDC	PEAK	0.52
6	6/02/97	9:55:31A	TO LOUISVILLE	KY 502 566-5148	0:33	DDC	PEAK	0.14
7	6/02/97	11:35:24A	TO LAFAYETTE	LA 318 237-9575	0:56	DDC	PEAK	0.22
8	6/02/97	1:23:05P	TO LAFAYETTE	LA 318 237-9575	0:53	DDC	PEAK	0.21
9	6/02/97	1:24:55P	TO BROUSSARD	LA 318 837-8172	0:57	DDC	PEAK	0.23
10	6/02/97	2:41:28P	TO LOUISVILLE	KY 502 566-5148	0:49	DDC	PEAK	0.21
11	6/03/97	7:51:07A	TO LAFAYETTE	LA 318 237-9575	0:43	DDC	OPEAK	0.12
12	6/03/97	8:01:06A	TO LAFAYETTE	LA 318 237-9575	0:32	DDC	PEAK	0.12
13	6/03/97	9:09:24A	TO LAFAYETTE	LA 318 237-9575	0:33	DDC	PEAK	0.12
14	6/03/97	10:50:38A	TO LAFAYETTE	LA 318 237-9575	0:33	DDC	PEAK	0.12
15	6/03/97	1:30:22P	TO LOUISVILLE	KY 502 566-5148	0:49	DDC	PEAK	0.21
16	6/03/97	2:16:44P	TO LAFAYETTE	LA 318 237-9575	0:37	DDC	PEAK	0.15
17	6/03/97	3:24:05P	TO LAFAYETTE	LA 318 981-9445	1:56	DDC	PEAK	0.46
18	6/03/97	3:51:22P	TO AUSTIN	TX 512 474-2496	1:07	DDC	PEAK	0.15
19	6/03/97	4:05:44P	TO BROUSSARD	LA 318 837-8172	0:42	DDC	PEAK	0.16
20	6/03/97	4:57:59P	TO AUSTIN	TX 512 474-2496	2:01	DDC	PEAK	0.26
21	6/03/97	4:57:59P	TO AUSTIN	TX 512 474-2496	1:52	DDC	OPEAK	0.20
22	6/04/97	7:43:55A	TO LAFAYETTE	LA 318 237-9575	0:39	DDC	OPEAK	0.11
23	6/04/97	10:53:21A	TO LAFAYETTE	LA 318 237-9575	0:39	DDC	PEAK	0.16
24	6/04/97	2:21:26P	TO LAFAYETTE	LA 318 237-9575	0:38	DDC	PEAK	0.15
25	6/05/97	9:15:48A	TO LAFAYETTE	LA 318 237-9575	0:46	DDC	PEAK	0.18
26	6/05/97	10:55:21A	TO BROUSSARD	LA 318 837-8172	1:01	DDC	PEAK	0.24
27	6/05/97	10:57:39A	TO BROUSSARD	LA 318 837-8172	1:13	DDC	PEAK	0.29
28	6/05/97	11:00:11A	TO BROUSSARD	LA 318 837-8172	1:09	DDC	PEAK	0.27
29	6/05/97	1:27:11P	TO LAFAYETTE	LA 318 237-9575	1:00	DDC	PEAK	0.24
30	6/05/97	2:59:03P	TO BROUSSARD	LA 318 837-8172	0:35	DDC	PEAK	0.13
31	6/06/97	9:00:03A	TO LAFAYETTE	LA 318 291-8082	0:31	DDC	PEAK	0.12
32	6/06/97	9:01:09A	TO LAFAYETTE	LA 318 291-8082	1:29	DDC	PEAK	0.35
33	6/06/97	10:21:58A	TO LAFAYETTE	LA 318 237-9575	0:39	DDC	PEAK	0.16
34	6/06/97	2:19:36P	TO LAFAYETTE	LA 318 237-9575	0:32	DDC	PEAK	0.12
35	6/08/97	9:09:48A	TO CAMERON	LA 318 775-7234	0:30	DDC	OPEAK	0.09
36	6/08/97	9:13:56A	TO CAMERON	LA 318 775-7232	0:30	DDC	OPEAK	0.09
37	6/08/97	9:13:05A	TO CAMERON	LA 318 775-7234	0:30	DDC	OPEAK	0.09
38	6/08/97	9:16:03A	TO CAMERON	LA 318 775-7234	0:30	DDC	OPEAK	0.09
39	6/08/97	12:10:57P	TO CAMERON	LA 318 775-7234	1:26	DDC	OPEAK	0.25
40	6/09/97	7:54:55A	TO LAFAYETTE	LA 318 237-9575	1:05	DDC	OPEAK	0.18
41	6/09/97	1:30:07P	TO LAFAYETTE	LA 318 237-9575	1:06	DDC	PEAK	0.26
42	6/09/97	2:09:47P	TO CAMERON	LA 318 775-7234	1:04	DDC	PEAK	0.25
43	6/09/97	3:52:17P	TO BROUSSARD	LA 318 837-8172	0:40	DDC	PEAK	0.16
44	6/10/97	9:32:52A	TO LAFAYETTE	LA 318 237-9575	0:39	DDC	PEAK	0.16
45	6/11/97	12:20:31P	TO CAMERON	LA 318 775-7234	1:26	DDC	PEAK	0.34
46	6/11/97	4:34:25P	TO LAFAYETTE	LA 318 237-9575	0:32	DDC	PEAK	0.12
47	6/12/97	12:15:14P	TO LAFAYETTE	LA 318 237-9575	0:48	DDC	PEAK	0.19
48	6/13/97	12:55:32P	TO BROUSSARD	LA 318 837-8172	0:43	DDC	PEAK	0.17
49	6/13/97	1:02:56P	TO BROUSSARD	LA 318 837-8172	0:36	DDC	PEAK	0.14
50	6/16/97	9:53:04A	TO BROUSSARD	LA 318 837-8172	0:46	DDC	PEAK	0.18
51	6/16/97	9:54:52A	TO BROUSSARD	LA 318 837-8172	0:36	DDC	PEAK	0.14
52	6/16/97	1:36:10P	TO BROUSSARD	LA 318 837-8172	0:41	DDC	PEAK	0.16
53	6/17/97	10:56:06A	TO LAFAYETTE	LA 318 237-9575	0:32	DDC	PEAK	0.12

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Account Number	Bill Date	Payment Due Date
19 730 2949 001	JUN 28, 1997	JUL 28, 1997



MERCULES OFFSHORE  
PO DRAWER 0  
FREEPORT TX 77542-1915

Account: 409 233 6371 007

T&T Business Service

all Detail

EM	DATE	TIME (hh:mm:ss)	PLACE	AREA CODE/ NUMBER	DURATION (hh:mm:ss)	CALL TYPE	TIME OF DAY	POST DISCOUNT AMOUNT
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LONG DISTANCE SERVICE  
ELIGIBLE FOR DISCOUNT

Billed Number: 409 233-6375

1	6/24/97	1:01:36P	TO LAFAYETTE	LA 318 237-9575	1:53	DDC	PEAK	0.45
2	6/24/97	4:12:35P	TO MORGANCITY	LA 504 380-1386	0:30	DDC	PEAK	0.12
3	6/24/97	4:18:23P	TO MORGANCITY	LA 504 380-1386	1:12	DDC	PEAK	0.29
4	6/24/97	4:21:01P	TO MORGANCITY	LA 504 380-1386	0:30	DDC	PEAK	0.12
5	6/24/97	4:22:37P	TO MORGANCITY	LA 504 380-1386	0:30	DDC	PEAK	0.12
6	6/24/97	4:24:07P	TO MORGANCITY	LA 504 380-1386	0:30	DDC	PEAK	0.12
7	6/24/97	4:24:58P	TO MORGANCITY	LA 504 380-1386	1:26	DDC	PEAK	0.34
8	6/25/97	12:04:51P	TO BOUNDBROOK	NJ 908 469-4547	0:38	DDC	PEAK	0.16
9	6/26/97	10:14:13A	TO CAMERON	LA 318 775-5712	1:11	DDC	PEAK	0.28
0	6/26/97	1:45:38P	TO LAFAYETTE	LA 318 237-9575	1:30	DDC	PEAK	0.36

SUBTOTAL FOR 409 233-6375 \$12.60

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Account Number	Bill Date	Payment Due Date
9 730 2949 001	JUN 28, 1997	JUL 28, 1997

count: 409 233 6371 509



MERCULES OFFSHORE  
PO DRAWER 0  
FREEPORT TX 77542-1915

## T&amp;T Business Service

## Summary of Charges

ACCOUNT STATUS	TOTAL DISCOUNTS
ADJUSTMENTS \$0.00	The Total Long Distance Discount
TOTAL CURRENT CHARGES \$317.26	For Your Account Is \$116.73
LOCATION AMOUNT \$317.26	

EXPLANATION	AMOUNT
<b>SAGE CHARGES</b>	
<b>LONG DISTANCE SERVICE</b>	
OUTBOUND	
Usage Eligible For Discount	\$389.03
Usage Ineligible For Discount	15.34
<b>SUBTOTAL</b>	<b>\$404.37</b>
<b>DISCOUNT ACTIVITY</b>	
<b>LONG DISTANCE SERVICE</b>	
<b>SUBTOTAL</b>	<b>\$116.73</b>
<b>LONG DISTANCE SERVICE</b>	
Federal Tax	\$8.71
State Tax	18.14
Local Tax	0.08
TX INFRASTRUCT. FUND REIMB.	2.65
TX POISON CONTROL SURCHARGE	0.02
9-1-1 SURCHARGE	0.02
<b>SUBTOTAL</b>	<b>\$29.62</b>
<b>TOTAL CURRENT CHARGES</b>	<b>\$317.26</b>

## Discount Activity

ACCOUNT	EXPLANATION	USAGE ELIGIBLE FOR DISCOUNT	DISCOUNT PERCENTAGE	DISCOUNT AMOUNT
BOUND 9 233 6371 509 MERCULES OFFSHORE PO DRAWER 0 FREEPORT TX 77542-1915	LONG DISTANCE SERVICE Volume Discount Competitive Advantage Offer Credit	\$389.03	10.00% 20.00%	\$38.90 \$77.83
	<b>TOTAL</b>			<b>\$116.73</b>

Due to rounding the location discount may differ slightly from the total discount at the national level.

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PD 000203

Account Number	Bill Date	Payment Due Date
9 730 2949 001	JUN 28, 1997	JUL 28, 1997



HERCULES OFFSHORE  
PO DRAWER 0  
FREEPORT TX 77542-1915

Account: 409 233 6371 509

# T&T Business Service

## Summary of Usage by Call Type

CALL TYPE	NUMBER OF CALLS	DURATION (hh:mm:ss)	USAGE INELIGIBLE FOR DISCOUNT	USAGE ELIGIBLE FOR DISCOUNT	DISCOUNT AMOUNT	POST DISCOUNT AMOUNT
LONG DISTANCE						
ADDED OUTBOUND						
DIRECT DIAL						
Interstate	389	20:34:09	\$0.22	\$377.66	\$113.31	\$264.35
In-State	14	59:12		11.37	3.42	7.95
OPERATOR HANDLED						
Interstate	2	13:00	11.76			
DIRECTORY ASSIST						
Interstate	4		3.80			
TOTAL	409	21:46:21	\$15.34	\$389.03	\$116.73	\$272.30

DECLASSIFIED 09/30/2010

Account Number	Bill Date	Payment Due Date
730 2949 001	JUN 28, 1997	JUL 28, 1997



HERCULES OFFSHORE  
PO DRAWER 0  
FREEPORT TX 77542-1915

Account: 409 233 6371 509

# T&T Business Service

## II Detail

M	DATE	TIME (hh:mm:ss)	PLACE	AREA CODE/ NUMBER	DURATION (hh:mm:ss)	CALL TYPE	TIME OF DAY	POST DISCOUNT AMOUNT
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ONG DISTANCE SERVICE

LIGIBLE FOR DISCOUNT

Billed Number: 409 233-6371

1	5/29/97	11:16:59A	TO CAMERON	LA 318 775-7234	6:49	DDC	PEAK	1.63
2	5/30/97	8:57:31A	TO LAFAYETTE	LA 318 237-9211	0:53	DDC	PEAK	0.21
3	5/31/97	9:43:28A	TO CAMERON	LA 318 775-7233	5:36	DDC	OPEAK	0.96
4	6/02/97	9:05:42A	TO CAMERON	LA 318 775-5712	2:41	DDC	PEAK	0.64
5	6/03/97	10:57:52A	TO CAMERON	LA 318 775-7233	7:00	DDC	PEAK	1.67
6	6/03/97	3:57:23P	TO CAMERON	LA 318 775-7233	1:53	DDC	PEAK	0.45
7	6/06/97	6:50:06A	TO LAFAYETTE	LA 318 237-9211	6:17	DDC	OPEAK	1.08
3	6/06/97	8:12:32A	TO LAFAYETTE	LA 318 237-9211	0:30	DDC	PEAK	0.12
3	6/06/97	9:05:09A	TO LAFAYETTE	LA 318 237-9211	1:41	DDC	PEAK	0.40
3	6/06/97	12:00:42P	TO CAMERON	LA 318 775-7233	3:19	DDC	PEAK	0.79
1	6/06/97	12:00:25P	TO CAMERON	LA 318 775-7232	0:30	DDC	PEAK	0.12
2	6/06/97	1:08:24P	TO LK CHARLES	LA 318 496-2834	1:04	DDC	PEAK	0.25
3	6/06/97	4:17:47P	TO LAFAYETTE	LA 318 237-9211	0:30	DDC	PEAK	0.12
4	6/07/97	8:41:33A	TO LAFAYETTE	LA 318 237-9211	11:18	DDC	OPEAK	1.94
5	6/08/97	9:14:37A	TO CAMERON	LA 318 775-7234	0:44	DDC	OPEAK	0.12
6	6/09/97	8:19:59A	TO CAMERON	LA 318 775-7234	2:02	DDC	PEAK	0.48
7	6/09/97	8:45:47A	TO CAMERON	LA 318 775-7234	1:20	DDC	PEAK	0.32
3	6/09/97	9:03:40A	TO CAMERON	LA 318 775-7234	0:30	DDC	PEAK	0.12
9	6/09/97	9:08:57A	TO CAMERON	LA 318 775-7233	3:06	DDC	PEAK	0.74
0	6/09/97	9:23:34A	TO CAMERON	LA 318 775-7234	6:02	DDC	PEAK	1.44
1	6/09/97	9:31:35A	TO MCCOMB	MS 601 276-3269	3:09	DDC	PEAK	0.83
2	6/09/97	10:49:58A	TO CAMERON	LA 318 775-7233	5:22	DDC	PEAK	1.28
5	6/09/97	2:11:55P	TO CAMERON	LA 318 775-7233	10:31	DDC	PEAK	2.51
4	6/09/97	3:08:45P	TO CAMERON	LA 318 775-7233	6:59	DDC	PEAK	1.66
5	6/10/97	10:30:41A	TO NEWORLEANS	LA 504 595-1348	1:57	DDC	PEAK	0.51
6	6/10/97	11:14:53A	TO NEWORLEANS	LA 504 588-7018	0:30	DDC	PEAK	0.12
7	6/10/97	11:59:44A	TO CAMERON	LA 318 775-7233	7:05	DDC	PEAK	1.70
8	6/11/97	10:47:51A	TO CAMERON	LA 318 775-7234	3:34	DDC	PEAK	0.85
9	6/11/97	11:38:38A	TO CAMERON	LA 318 775-7234	0:34	DDC	PEAK	0.13
0	6/11/97	1:12:33P	TO CAMERON	LA 318 775-7233	1:30	DDC	PEAK	0.36
1	6/13/97	11:49:12A	TO LAFAYETTE	LA 318 237-9211	0:30	DDC	PEAK	0.12
2	6/16/97	7:59:05A	TO CAMERON	LA 318 775-5712	0:55	DDC	OPEAK	0.16
3	6/16/97	7:59:05A	TO CAMERON	LA 318 775-5712	1:18	DDC	PEAK	0.31
4	6/20/97	9:32:02A	TO LAFAYETTE	LA 318 237-9211	0:39	DDC	PEAK	0.16
5	6/20/97	2:20:47P	TO CAMERON	LA 318 775-7234	4:07	DDC	PEAK	0.98
6	6/23/97	8:07:23A	TO CAMERON	LA 318 775-7234	4:00	DDC	PEAK	0.95
7	6/23/97	8:35:51A	TO CAMERON	LA 318 775-5712	0:41	DDC	PEAK	0.16
8	6/23/97	11:25:48A	TO LAFAYETTE	LA 318 237-9211	0:30	DDC	PEAK	0.12
9	6/23/97	2:29:33P	TO BROUSSARD	LA 318 837-8172	0:30	DDC	PEAK	0.12
0	6/23/97	3:13:53P	TO CAMERON	LA 318 775-7234	4:47	DDC	PEAK	1.14
1	6/24/97	9:40:01A	TO CAMERON	LA 318 775-7234	4:47	DDC	PEAK	1.14
2	6/24/97	10:29:49A	TO LAFAYETTE	LA 318 237-9211	1:31	DDC	PEAK	0.36
3	6/24/97	11:18:42A	TO CAMERON	LA 318 775-5712	1:16	DDC	PEAK	0.30
4	6/24/97	11:22:15A	TO EDINBURG	TX 210 318-0658	1:57	DDC	PEAK	0.26
5	6/25/97	9:07:14A	TO AUSTIN	TX 512 239-1000	1:01	DDC	PEAK	0.14
6	6/25/97	9:11:17A	TO AUSTIN	TX 512 239-1000	1:06	DDC	PEAK	0.15
7	6/25/97	9:13:27A	TO AUSTIN	TX 512 239-1000	7:52	DDC	PEAK	1.09
8	6/25/97	9:38:00A	TO AUSTIN	TX 512 239-0028	6:40	DDC	PEAK	0.93
9	6/25/97	1:05:54P	TO LAFAYETTE	LA 318 237-9211	0:37	DDC	PEAK	0.15
3	6/25/97	3:12:07P	TO CAMERON	LA 318 775-5712	2:07	DDC	PEAK	0.51
1	6/26/97	9:38:18A	TO CAMERON	LA 318 775-5712	3:20	DDC	PEAK	0.80
2	6/26/97	9:47:53A	TO CAMERON	LA 318 775-5712	3:08	DDC	PEAK	0.75
3	6/26/97	10:16:07A	TO CAMERON	LA 318 775-5712	2:37	DDC	PEAK	0.62

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09/30/2010



HERCULES OFFSHORE  
PO DRAWER 0  
FREEPORT TX 77542-1915

Account Number	Bill Date	Payment Due Date
319 730 2949 001	JUN 28, 1997	JUL 28, 1997

Account: 409 233 6371 509

T&T Business Service

Call Detail

EM	DATE	TIME (hh:mm:ss)	PLACE	AREA CODE/ NUMBER	DURATION (hh:mm:ss)	CALL TYPE	TIME OF DAY	POST DISCOUNT AMOUNT
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LONG DISTANCE SERVICE  
ELIGIBLE FOR DISCOUNT

Billed Number: 409 233-6371

1 6/26/97 10:32:28A TO LAFAYETTE LA 318 237-9211 2:20 DDC PEAK 0.55

SUBTOTAL FOR 409 233-6371 \$35.52

Billed Number: 409 233-6372

2	5/29/97	6:01:49A	TO CAMERON	LA 318 775-7234	0:30	DDC	OPEAK	0.09
3	5/29/97	6:08:29A	TO CAMERON	LA 318 775-7234	0:30	DDC	OPEAK	0.09
4	5/29/97	6:09:21A	TO CAMERON	LA 318 775-7233	2:19	DDC	OPEAK	0.39
5	5/29/97	8:25:43A	TO LAFAYETTE	LA 318 981-5878	2:46	DDC	PEAK	0.66
6	5/29/97	8:29:13A	TO LAFAYETTE	LA 318 234-5940	0:36	DDC	PEAK	0.14
7	5/29/97	8:31:26A	TO LAFAYETTE	LA 318 984-2400	0:30	DDC	PEAK	0.12
8	5/29/97	8:48:25A	TO LAFAYETTE	LA 318 237-9211	2:37	DDC	PEAK	0.62
9	5/29/97	9:06:38A	TO CAMERON	LA 318 775-7234	0:58	DDC	PEAK	0.23
10	5/29/97	9:33:09A	TO CAMERON	LA 318 775-7234	0:30	DDC	PEAK	0.12
11	5/29/97	12:06:57P	TO CAMERON	LA 318 775-7234	0:30	DDC	PEAK	0.12
12	5/29/97	12:21:49P	TO LAFAYETTE	LA 318 237-9211	1:21	DDC	PEAK	0.32
13	5/29/97	12:46:15P	TO NEWORLEANS	LA 504 393-7272	1:51	DDC	PEAK	0.48
14	5/29/97	1:40:00P	TO LAFAYETTE	LA 318 984-2400	0:41	DDC	PEAK	0.16
15	5/29/97	1:41:32P	TO LAFAYETTE	LA 318 237-9211	1:36	DDC	PEAK	0.38
16	5/29/97	2:51:36P	TO LAFAYETTE	LA 318 237-9211	3:03	DDC	PEAK	0.73
17	5/29/97	4:09:26P	TO LAFAYETTE	LA 318 237-9211	1:33	DDC	PEAK	0.37
18	5/29/97	5:11:10P	TO JENA	LA 318 992-4322	11:04	DDC	OPEAK	1.90
19	5/30/97	6:02:34A	TO CAMERON	LA 318 775-7233	3:03	DDC	OPEAK	0.53
20	5/30/97	6:57:58A	TO CAMERON	LA 318 775-7234	5:13	DDC	OPEAK	0.89
21	5/30/97	7:36:09A	TO LAFAYETTE	LA 318 237-9211	0:37	DDC	OPEAK	0.11
22	5/30/97	9:24:47A	TO HOUMA	LA 504 852-4104	4:28	DDC	PEAK	1.07
23	5/30/97	9:48:15A	TO CAMERON	LA 318 775-7233	2:29	DDC	PEAK	0.59
24	5/30/97	10:57:41A	TO LAFAYETTE	LA 318 237-9211	8:54	DDC	PEAK	2.13
25	5/30/97	11:19:33A	TO LAFAYETTE	LA 318 237-9211	14:33	DDC	PEAK	3.47
26	5/30/97	2:58:40P	TO LAFAYETTE	LA 318 237-9211	6:10	DDC	PEAK	1.47
27	5/30/97	3:12:04P	TO LAFAYETTE	LA 318 237-9211	2:58	DDC	PEAK	0.71
28	5/30/97	3:25:23P	TO LAFAYETTE	LA 318 237-9211	1:40	DDC	PEAK	0.40
29	5/30/97	4:07:44P	TO LAFAYETTE	LA 318 237-9211	2:41	DDC	PEAK	0.64
30	5/30/97	5:58:48P	TO NEWORLEANS	LA 504 884-7486	0:30	DDC	OPEAK	0.11
31	5/30/97	6:04:26P	TO NEWORLEANS	LA 504 884-7486	0:30	DDC	OPEAK	0.11
32	5/30/97	7:03:00P	TO NEWORLEANS	LA 504 884-7486	0:30	DDC	OPEAK	0.11
33	5/30/97	7:20:48P	TO NEWORLEANS	LA 504 884-7486	0:30	DDC	OPEAK	0.11
34	5/30/97	9:10:37P	TO CAMERON	LA 318 775-5712	3:39	DDC	OPEAK	0.62
35	5/31/97	8:51:49A	TO LAFAYETTE	LA 318 237-9211	0:55	DDC	OPEAK	0.16
36	5/31/97	10:11:50A	TO LAFAYETTE	LA 318 237-9211	1:07	DDC	OPEAK	0.19
37	5/31/97	12:21:25P	TO CAMERON	LA 318 775-7233	19:49	DDC	OPEAK	3.41
38	5/31/97	3:14:20P	TO CAMERON	LA 318 775-7233	4:29	DDC	OPEAK	0.77
39	6/01/97	6:41:23A	TO CAMERON	LA 318 775-7234	0:30	DDC	OPEAK	0.09
40	6/01/97	7:25:45A	TO CAMERON	LA 318 775-7233	10:22	DDC	OPEAK	1.79
41	6/02/97	9:23:15A	TO CAMERON	LA 318 775-7234	0:30	DDC	PEAK	0.12
42	6/02/97	9:46:55A	TO LAFAYETTE	LA 318 237-9211	4:52	DDC	PEAK	1.16
43	6/02/97	10:35:43A	TO BROUSSARD	LA 318 837-5610	0:48	DDC	PEAK	0.19
44	6/02/97	10:55:17A	TO LAFAYETTE	LA 318 237-9211	4:30	DDC	PEAK	1.07
45	6/02/97	12:44:20P	TO LAFAYETTE	LA 318 235-5095	1:12	DDC	PEAK	0.29
46	6/02/97	1:03:39P	TO LAFAYETTE	LA 318 237-9211	9:51	DDC	PEAK	2.35
47	6/02/97	3:26:06P	TO LAFAYETTE	LA 318 237-9211	1:08	DDC	PEAK	0.26
48	6/02/97	4:18:48P	TO LAFAYETTE	LA 318 237-9211	0:30	DDC	PEAK	0.12

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09/30/2010





HERCULES OFFSHORE  
PO DRAWER 0  
FREEPORT TX 77542-1915

Account Number	Bill Date	Payment Due Date
730 2949 001	JUN 28, 1997	JUL 28, 1997

Account: 409 233 6371 509

T&T Business Service

ll Detail

M	DATE	TIME (hh:mm:ss)	PLACE	AREA CODE/ NUMBER	DURATION (hh:mm:ss)	CALL TYPE	TIME OF DAY	POST DISCOUNT AMOUNT
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ONG DISTANCE SERVICE

LIGIBLE FOR DISCOUNT

Billed Number: 409 233-6372

1	6/03/97	7:40:17A	TO LAFAYETTE	LA 318 237-9211	1:12	DDC	OPEAK	0.20
2	6/03/97	8:17:47A	TO LAFAYETTE	LA 318 237-9211	13:23	DDC	PEAK	3.19
3	6/03/97	8:33:42A	TO YOUNGSVL	LA 318 856-6610	3:13	DDC	PEAK	0.77
4	6/03/97	8:49:02A	TO LAFAYETTE	LA 318 984-2400	0:32	DDC	PEAK	0.12
5	6/03/97	8:50:04A	TO LAFAYETTE	LA 318 988-0230	0:30	DDC	PEAK	0.12
6	6/03/97	8:51:49A	TO LAFAYETTE	LA 318 981-2124	2:27	DDC	PEAK	0.58
7	6/03/97	12:05:21P	TO LAFAYETTE	LA 318 237-9211	0:35	DDC	PEAK	0.13
8	6/03/97	12:57:45P	TO LAFAYETTE	LA 318 981-2124	0:46	DDC	PEAK	0.18
9	6/03/97	1:34:41P	TO ORANGE	CA 714 456-1414	0:41	DDC	PEAK	0.18
0	6/03/97	1:57:58P	TO LAFAYETTE	LA 318 981-2124	1:57	DDC	PEAK	0.46
1	6/03/97	2:44:01P	TO LAFAYETTE	LA 318 237-9211	9:47	DDC	PEAK	2.34
2	6/03/97	3:04:43P	TO CAMERON	LA 318 775-5712	10:12	DDC	PEAK	2.43
3	6/03/97	3:44:36P	TO CAMERON	LA 318 775-7234	0:30	DDC	PEAK	0.12
4	6/03/97	3:45:13P	TO CAMERON	LA 318 775-7234	1:29	DDC	PEAK	0.35
5	6/03/97	4:22:44P	TO PLAQUEMINE	LA 504 685-0423	5:40	DDC	PEAK	1.35
6	6/03/97	4:22:26P	TO PLAQUEMINE	LA 504 685-0739	0:30	DDC	PEAK	0.12
7	6/03/97	4:42:57P	TO LAFAYETTE	LA 318 237-9211	5:49	DDC	PEAK	1.38
8	6/03/97	5:20:42P	TO LAFAYETTE	LA 318 237-9211	4:22	DDC	OPEAK	0.75
9	6/03/97	9:02:27P	TO ALEXANDRIA	LA 318 442-6728	16:42	DDC	OPEAK	2.87
0	6/04/97	7:35:57A	TO JENA	LA 318 992-6784	0:44	DDC	OPEAK	0.12
1	6/04/97	7:37:36A	TO GEORGETOWN	LA 318 827-5478	1:38	DDC	OPEAK	0.28
2	6/04/97	9:26:52A	TO NEWORLEANS	LA 504 341-1606	2:32	DDC	PEAK	0.66
3	6/04/97	10:17:48A	TO CAMERON	LA 318 775-7234	4:43	DDC	PEAK	1.13
4	6/04/97	2:50:48P	TO AUSTIN	TX 512 473-9452	13:24	DDC	PEAK	1.79
5	6/04/97	3:22:49P	TO PLAQUEMINE	LA 504 685-0423	0:30	DDC	PEAK	0.12
6	6/04/97	3:23:35P	TO PLAQUEMINE	LA 504 687-9546	0:30	DDC	PEAK	0.12
7	6/04/97	5:46:24P	TO PLAQUEMINE	LA 504 687-9546	1:43	DDC	OPEAK	0.30
8	6/04/97	5:48:25P	TO PLAQUEMINE	LA 504 687-2147	0:54	DDC	OPEAK	0.16
9	6/04/97	5:49:43P	TO PLAQUEMINE	LA 504 685-0739	18:18	DDC	OPEAK	3.15
0	6/05/97	9:13:43A	TO LAFAYETTE	LA 318 237-9211	0:49	DDC	PEAK	0.19
1	6/05/97	10:15:17A	TO LAFAYETTE	LA 318 237-9211	3:08	DDC	PEAK	0.75
2	6/05/97	11:28:55A	TO CAMERON	LA 318 775-7234	1:07	DDC	PEAK	0.26
3	6/05/97	12:40:49P	TO LAFAYETTE	LA 318 237-9211	0:42	DDC	PEAK	0.16
4	6/05/97	12:42:42P	TO LAFAYETTE	LA 318 237-9211	7:41	DDC	PEAK	1.84
5	6/05/97	2:48:01P	TO LAFAYETTE	LA 318 237-9211	8:44	DDC	PEAK	2.08
6	6/05/97	3:58:38P	TO PLAQUEMINE	LA 504 685-0739	3:59	DDC	PEAK	0.95
7	6/05/97	4:04:45P	TO LAFAYETTE	LA 318 237-9211	1:29	DDC	PEAK	0.55
8	6/05/97	4:26:31P	TO CAMERON	LA 318 775-5712	7:30	DDC	PEAK	1.79
9	6/05/97	4:38:07P	TO LAFAYETTE	LA 318 237-9211	0:31	DDC	PEAK	0.12
0	6/05/97	4:39:22P	TO LAFAYETTE	LA 318 237-9211	1:16	DDC	PEAK	0.30
1	6/06/97	7:27:32A	TO LAFAYETTE	LA 318 237-9211	1:14	DDC	OPEAK	0.21
2	6/06/97	7:29:39A	TO CAMERON	LA 318 775-7234	2:13	DDC	OPEAK	0.38
3	6/06/97	7:38:13A	TO LAFAYETTE	LA 318 237-9211	1:03	DDC	OPEAK	0.18
4	6/06/97	8:08:49A	TO LAFAYETTE	LA 318 291-8280	0:30	DDC	PEAK	0.12
5	6/06/97	8:51:38A	TO LAFAYETTE	LA 318 291-8280	4:04	DDC	PEAK	0.97
6	6/06/97	9:44:13A	TO MANY	LA 318 256-2718	0:45	DDC	PEAK	0.17
7	6/06/97	9:49:30A	TO LAFAYETTE	LA 318 232-6323	12:27	DDC	PEAK	2.97
8	6/06/97	10:04:15A	TO LAFAYETTE	LA 318 237-9211	3:01	DDC	PEAK	0.72
9	6/06/97	10:45:02A	TO MANY	LA 318 256-2718	7:19	DDC	PEAK	1.75
0	6/06/97	12:45:12P	TO LAFAYETTE	LA 318 237-9211	3:40	DDC	PEAK	0.87
1	6/06/97	1:35:43P	TO LAFAYETTE	LA 318 237-9211	1:21	DDC	PEAK	0.32
2	6/06/97	1:37:27P	TO JENA	LA 318 992-3232	3:57	DDC	PEAK	0.95
3	6/06/97	2:06:34P	TO JENA	LA 318 992-3232	2:49	DDC	PEAK	0.67

DECLASSIFIED  
09/30/2010

PD 000207

Account Number	Bill Date	Payment Due Date
119 730 2949 001	JUN 28, 1997	JUL 28, 1997



MERCULES OFFSHORE  
PO DRAWER 0  
FREEPORT TX 77542-1915

ccount: 409 233 6371 509

# T&T Business Service

## all Detail

EM	DATE	TIME (hh:mm:ss)	PLACE	AREA CODE/ NUMBER	DURATION (hh:mm:ss)	CALL TYPE	TIME OF DAY	POST DISCOUNT AMOUNT
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### LONG DISTANCE SERVICE

### ELIGIBLE FOR DISCOUNT

Billed Number: 409 233-6372

1	6/06/97	2:11:18P	TO LAFAYETTE	LA 318 237-9211	1:45	DDC	PEAK	0.41
2	6/06/97	2:20:20P	TO LAFAYETTE	LA 318 237-9211	0:30	DDC	PEAK	0.12
3	6/06/97	2:25:13P	TO LAFAYETTE	LA 318 237-9211	4:18	DDC	PEAK	1.02
4	6/06/97	2:34:33P	TO LAFAYETTE	LA 318 237-9211	4:55	DDC	PEAK	1.17
5	6/06/97	3:32:19P	TO LAFAYETTE	LA 318 237-9211	7:46	DDC	PEAK	1.85
6	6/06/97	3:46:11P	TO JENA	LA 318 992-3232	1:43	DDC	PEAK	0.40
7	6/06/97	5:12:57P	TO LAFAYETTE	LA 318 984-6918	1:06	DDC	OPEAK	0.19
8	6/06/97	5:14:32P	TO LAFAYETTE	LA 318 984-6918	0:43	DDC	OPEAK	0.12
9	6/06/97	5:15:54P	TO LAFAYETTE	LA 318 984-6918	0:41	DDC	OPEAK	0.11
0	6/06/97	5:46:18P	TO CAMERON	LA 318 775-5712	1:35	DDC	OPEAK	0.26
11	6/07/97	7:50:15A	TO LAFAYETTE	LA 318 237-9211	7:08	DDC	OPEAK	1.22
12	6/07/97	8:26:44A	TO LAFAYETTE	LA 318 237-9211	2:36	DDC	OPEAK	0.44
13	6/07/97	1:09:01P	TO LAFAYETTE	LA 318 237-9211	2:10	DDC	OPEAK	0.37
14	6/07/97	1:29:02P	TO CAMERON	LA 318 775-7234	4:17	DDC	OPEAK	0.74
15	6/07/97	1:33:39P	TO LAFAYETTE	LA 318 237-9211	1:06	DDC	OPEAK	0.19
16	6/07/97	1:35:33P	TO LAFAYETTE	LA 318 993-8180	1:44	DDC	OPEAK	0.30
17	6/07/97	2:22:10P	TO LAFAYETTE	LA 318 984-6918	0:30	DDC	OPEAK	0.09
18	6/07/97	2:22:55P	TO LAFAYETTE	LA 318 984-6918	0:30	DDC	OPEAK	0.09
19	6/07/97	3:41:50P	TO MONROE	LA 318 343-8024	0:30	DDC	OPEAK	0.10
20	6/07/97	3:42:24P	TO JENA	LA 318 992-5739	0:30	DDC	OPEAK	0.09
21	6/07/97	8:49:33P	TO CAMERON	LA 318 775-7234	5:00	DDC	OPEAK	0.86
22	6/07/97	11:14:52P	TO MONROE	LA 318 343-8024	0:30	DDC	OPEAK	0.11
23	6/07/97	11:14:00P	TO MONROE	LA 318 343-8024	0:30	DDC	OPEAK	0.11
24	6/07/97	11:16:49P	TO JENA	LA 318 992-5739	0:30	DDC	OPEAK	0.09
25	6/07/97	11:17:37P	TO JENA	LA 318 992-5039	0:30	DDC	OPEAK	0.09
26	6/07/97	11:18:03P	TO MONROE	LA 318 343-9274	12:56	DDC	OPEAK	2.71
27	6/07/97	11:31:55P	TO MONROE	LA 318 343-8024	0:30	DDC	OPEAK	0.11
28	6/07/97	11:31:19P	TO JENA	LA 318 992-5937	0:30	DDC	OPEAK	0.09
29	6/08/97	6:36:43A	TO CAMERON	LA 318 775-7234	3:09	DDC	OPEAK	0.54
30	6/08/97	6:57:09A	TO LAFAYETTE	LA 318 237-9211	1:27	DDC	OPEAK	0.25
31	6/08/97	7:09:29A	TO CAMERON	LA 318 775-7234	2:01	DDC	OPEAK	0.34
32	6/08/97	7:35:05A	TO CAMERON	LA 318 775-7234	8:37	DDC	OPEAK	1.48
33	6/08/97	8:45:01A	TO MONROE	LA 318 343-8024	4:28	DDC	OPEAK	0.94
34	6/08/97	3:10:13P	TO LAFAYETTE	LA 318 984-6918	0:30	DDC	OPEAK	0.09
35	6/08/97	6:14:01P	TO MONROE	LA 318 343-8024	18:32	DDC	OPEAK	3.89
36	6/08/97	6:46:34P	TO LAFAYETTE	LA 318 984-6918	5:22	DDC	OPEAK	0.93
37	6/08/97	7:03:44P	TO JENA	LA 318 992-5618	0:30	DDC	OPEAK	0.09
38	6/08/97	7:03:18P	TO JENA	LA 318 992-5207	0:30	DDC	OPEAK	0.09
39	6/08/97	7:04:13P	TO JENA	LA 318 992-6533	1:08	DDC	OPEAK	0.19
40	6/08/97	7:55:40P	TO JENA	LA 318 992-5207	18:33	DDC	OPEAK	3.19
41	6/09/97	6:29:48A	TO CAMERON	LA 318 775-7234	12:07	DDC	OPEAK	2.08
42	6/09/97	7:16:09A	TO MANY	LA 318 256-2718	2:24	DDC	OPEAK	0.41
43	6/09/97	7:30:38A	TO CAMERON	LA 318 775-7234	4:28	DDC	OPEAK	0.76
44	6/09/97	7:39:25A	TO LAFAYETTE	LA 318 237-9211	3:12	DDC	OPEAK	0.54
45	6/09/97	9:06:10A	TO CAMERON	LA 318 775-7234	2:19	DDC	PEAK	0.55
46	6/09/97	10:56:04A	TO LAFAYETTE	LA 318 237-9211	2:02	DDC	PEAK	0.48
47	6/09/97	11:05:52A	TO CAMERON	LA 318 775-7234	1:37	DDC	PEAK	0.39
48	6/09/97	1:16:20P	TO CAMERON	LA 318 775-5712	3:07	DDC	PEAK	0.74
49	6/09/97	1:26:32P	TO LAFAYETTE	LA 318 237-9211	2:24	DDC	PEAK	0.58
50	6/09/97	1:48:45P	TO LAFAYETTE	LA 318 237-9211	6:22	DDC	PEAK	1.52
51	6/09/97	2:15:56P	TO CAMERON	LA 318 775-7234	7:31	DDC	PEAK	1.80
52	6/09/97	2:30:10P	TO CAMERON	LA 318 775-5712	0:47	DDC	PEAK	0.18
53	6/09/97	4:38:07P	TO LAFAYETTE	LA 318 237-9211	0:40	DDC	PEAK	0.16

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09/30/2010

PD 000208

Account Number	Bill Date	Payment Due Date
9 730 2949 001	JUN 28, 1997	JUL 28, 1997

count: 409 233 6371 509



MERCULES OFFSHORE  
PO DRAWER 0  
FREEPORT TX 77542-1915

## &amp;T Business Service

## II Detail

DATE	TIME (hh:mm:ss)	PLACE	AREA CODE/ NUMBER	DURATION (hh:mm:ss)	CALL TYPE	TIME OF DAY	POST DISCOUNT AMOUNT
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ONG DISTANCE SERVICE

LIGIBLE FOR DISCOUNT

Billed Number: 409 233-6372

1	6/09/97	5:56:54P	TO CAMERON	LA 318 775-5712	1:50	DDC	OPEAK	0.32
2	6/10/97	6:18:50A	TO CAMERON	LA 318 775-5712	2:34	DDC	OPEAK	0.44
3	6/10/97	7:03:14A	TO LAFAYETTE	LA 318 984-6918	1:58	DDC	OPEAK	0.33
4	6/10/97	7:30:49A	TO CAMERON	LA 318 775-5712	3:23	DDC	OPEAK	0.58
5	6/10/97	7:44:36A	TO CAMERON	LA 318 775-7234	7:44	DDC	OPEAK	1.33
6	6/10/97	11:33:52A	TO LAFAYETTE	LA 318 237-9211	5:30	DDC	PEAK	1.31
7	6/10/97	12:32:23P	TO CAMERON	LA 318 775-5712	0:53	DDC	PEAK	0.21
8	6/10/97	12:44:32P	TO CAMERON	LA 318 775-7234	3:34	DDC	PEAK	0.85
9	6/10/97	12:50:46P	TO LAFAYETTE	LA 318 237-9211	0:30	DDC	PEAK	0.12
1	6/10/97	1:02:49P	TO LAFAYETTE	LA 318 237-9211	4:12	DDC	PEAK	1.00
2	6/10/97	1:27:29P	TO LAFAYETTE	LA 318 237-9211	2:02	DDC	PEAK	0.48
3	6/10/97	1:30:32P	TO LAFAYETTE	LA 318 237-9211	0:39	DDC	PEAK	0.16
4	6/10/97	2:16:58P	TO LAFAYETTE	LA 318 237-9211	4:50	DDC	PEAK	1.16
5	6/10/97	3:40:29P	TO LAFAYETTE	LA 318 237-9211	2:40	DDC	PEAK	0.64
6	6/10/97	3:56:09P	TO CAMERON	LA 318 775-7234	0:30	DDC	PEAK	0.12
7	6/10/97	4:00:05P	TO LAFAYETTE	LA 318 984-6918	3:20	DDC	PEAK	0.80
8	6/10/97	6:59:55P	TO JENA	LA 318 992-5207	22:37	DDC	OPEAK	3.89
9	6/10/97	7:24:05P	TO CAMERON	LA 318 775-5712	8:59	DDC	OPEAK	1.54
1	6/10/97	7:51:19P	TO JENA	LA 318 992-5207	1:24	DDC	OPEAK	0.24
2	6/10/97	7:54:56P	TO LAFAYETTE	LA 318 989-3643	23:44	DDC	OPEAK	4.08
3	6/10/97	9:18:56P	TO LAFAYETTE	LA 318 237-9211	0:46	DDC	OPEAK	0.12
4	6/10/97	9:27:52P	TO LAFAYETTE	LA 318 237-9211	0:35	DDC	OPEAK	0.10
5	6/10/97	9:59:07P	TO LAFAYETTE	LA 318 237-9211	0:41	DDC	OPEAK	0.11
6	6/11/97	12:38:44A	TO NEW IBERIA	LA 318 367-5015	1:36	DDC	OPEAK	0.27
7	6/11/97	6:42:48A	TO CAMERON	LA 318 775-7234	3:45	DDC	OPEAK	0.65
8	6/11/97	6:47:32A	TO NEW IBERIA	LA 318 367-5015	0:55	DDC	OPEAK	0.16
9	6/11/97	7:01:50A	TO CAMERON	LA 318 775-7233	3:43	DDC	OPEAK	0.64
1	6/11/97	8:44:10A	TO LAFAYETTE	LA 318 237-9211	0:59	DDC	PEAK	0.23
2	6/11/97	10:03:50A	TO LAFAYETTE	LA 318 237-9211	5:28	DDC	PEAK	1.30
3	6/11/97	10:11:35A	TO LAFAYETTE	LA 318 237-9211	11:18	DDC	PEAK	2.70
4	6/11/97	10:23:15A	TO LAFAYETTE	LA 318 237-9211	1:04	DDC	PEAK	0.25
5	6/11/97	10:53:22A	TO MANY	LA 318 256-3712	0:30	DDC	PEAK	0.12
6	6/11/97	11:42:44A	TO CAMERON	LA 318 775-7234	0:30	DDC	PEAK	0.12
7	6/11/97	11:44:11A	TO BROUSSARD	LA 318 837-1212	3:32	DDC	PEAK	0.84
8	6/11/97	3:18:01P	TO JENA	LA 318 992-3232	3:32	DDC	PEAK	0.84
9	6/11/97	3:26:42P	TO LAFAYETTE	LA 318 237-9211	1:29	DDC	PEAK	0.35
1	6/11/97	3:57:03P	TO LAFAYETTE	LA 318 237-9211	2:38	DDC	PEAK	0.63
2	6/11/97	4:05:11P	TO LAFAYETTE	LA 318 237-9211	1:18	DDC	PEAK	0.31
3	6/11/97	4:25:41P	TO LAFAYETTE	LA 318 237-9211	2:06	DDC	PEAK	0.50
4	6/11/97	4:35:15P	TO CAMERON	LA 318 775-5712	0:30	DDC	PEAK	0.12
5	6/11/97	4:45:44P	TO CAMERON	LA 318 775-7234	3:02	DDC	PEAK	0.72
6	6/11/97	4:51:42P	TO LAFAYETTE	LA 318 981-6918	0:30	DDC	PEAK	0.12
7	6/11/97	4:52:16P	TO LAFAYETTE	LA 318 984-6918	1:46	DDC	PEAK	0.42
8	6/11/97	4:54:18P	TO LAFAYETTE	LA 318 984-6918	0:30	DDC	PEAK	0.12
9	6/13/97	3:54:07P	TO CAMERON	LA 318 775-5712	1:55	DDC	PEAK	0.46
1	6/16/97	7:07:04A	TO LAFAYETTE	LA 318 237-9211	2:25	DDC	OPEAK	0.41
2	6/16/97	8:12:10A	TO LAFAYETTE	LA 318 237-9211	2:01	DDC	PEAK	0.47
3	6/16/97	8:14:38A	TO CAMERON	LA 318 775-5712	1:27	DDC	PEAK	0.34
4	6/16/97	8:16:33A	TO CAMERON	LA 318 775-7234	1:08	DDC	PEAK	0.26
5	6/16/97	9:58:12A	TO LAFAYETTE	LA 318 237-9211	5:24	DDC	PEAK	1.29
6	6/16/97	10:07:56A	TO WATERTOWN	NY 315 775-5712	0:30	DDC	PEAK	0.12
7	6/16/97	10:10:13A	TO CAMERON	LA 318 775-5712	3:02	DDC	PEAK	0.72
8	6/16/97	2:50:25P	TO LAFAYETTE	LA 318 237-9211	2:44	DDC	PEAK	0.65

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09/30/2010

PD 000209



Account Number	Bill Date	Payment Due Date
730 2949 001	JUN 28, 1997	JUL 28, 1997

Account: 409 233 6371 509



HERCULES OFFSHORE  
PO DRAWER 0  
FREEPORT TX 77542-1915

T&amp;T Business Service

Call Detail

EM	DATE	TIME (hh:mm:ss)	PLACE	AREA CODE/NUMBER	DURATION (hh:mm:ss)	CALL TYPE	TIME OF DAY	POST DISCOUNT AMOUNT
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LONG DISTANCE SERVICE

ELIGIBLE FOR DISCOUNT

Billed Number: 409 233-6372

1	6/16/97	2:54:25P	TO LAFAYETTE	LA 318 984-6918	6:23	DDC	PEAK	1.52
2	6/16/97	5:59:47P	TO LAFAYETTE	LA 318 984-6918	3:00	DDC	OPEAK	0.51
3	6/16/97	6:03:58P	TO MONROE	LA 318 343-8024	13:54	DDC	OPEAK	2.91
4	6/16/97	6:03:29P	TO MONROE	LA 318 343-9274	0:30	DDC	OPEAK	0.10
5	6/17/97	7:09:21A	TO LAFAYETTE	LA 318 237-9211	2:08	DDC	OPEAK	0.37
6	6/17/97	7:39:33A	TO LAFAYETTE	LA 318 984-6918	1:19	DDC	OPEAK	0.23
7	6/17/97	7:41:12A	TO LAFAYETTE	LA 318 237-9211	1:30	DDC	OPEAK	0.25
8	6/17/97	8:28:04A	TO LAFAYETTE	LA 318 237-9211	1:15	DDC	PEAK	0.30
9	6/17/97	8:45:44A	TO MONROE	LA 318 343-9274	2:03	DDC	PEAK	0.54
10	6/17/97	8:48:53A	TO MONROE	LA 318 388-5200	1:21	DDC	PEAK	0.36
11	6/17/97	9:08:32A	TO CAMERON	LA 318 775-5712	3:12	DDC	PEAK	0.76
12	6/17/97	11:00:21A	TO LAFAYETTE	LA 318 237-9211	0:33	DDC	PEAK	0.12
13	6/17/97	12:00:43P	TO LAFAYETTE	LA 318 984-6918	2:55	DDC	PEAK	0.69
14	6/17/97	12:24:34P	TO MONROE	LA 318 388-5200	4:43	DDC	PEAK	1.24
15	6/17/97	1:30:25P	TO CAMERON	LA 318 775-5712	1:06	DDC	PEAK	0.26
16	6/17/97	1:44:34P	TO LAFAYETTE	LA 318 237-9211	4:38	DDC	PEAK	1.10
17	6/17/97	2:15:59P	TO LAFAYETTE	LA 318 237-9211	4:38	DDC	PEAK	1.10
18	6/17/97	7:42:04P	TO CAMERON	LA 318 775-7233	3:09	DDC	OPEAK	0.54
19	6/17/97	7:45:56P	TO LAFAYETTE	LA 318 237-9211	1:17	DDC	OPEAK	0.22
20	6/17/97	7:45:31P	TO LAFAYETTE	LA 318 237-5211	0:30	DDC	OPEAK	0.09
21	6/17/97	8:19:34P	TO MONROE	LA 318 343-9274	6:28	DDC	OPEAK	1.36
22	6/17/97	8:29:58P	TO MONROE	LA 318 343-9274	1:15	DDC	OPEAK	0.26
23	6/17/97	8:41:46P	TO CAMERON	LA 318 775-7234	0:30	DDC	OPEAK	0.09
24	6/17/97	8:42:22P	TO CAMERON	LA 318 775-7233	2:14	DDC	OPEAK	0.38
25	6/17/97	8:44:51P	TO LAFAYETTE	LA 318 237-9211	3:26	DDC	OPEAK	0.59
26	6/17/97	8:51:31P	TO LAFAYETTE	LA 318 237-9211	0:55	DDC	OPEAK	0.16
27	6/18/97	7:39:21A	TO LAFAYETTE	LA 318 237-9211	6:51	DDC	OPEAK	1.17
28	6/18/97	8:21:40A	TO LAFAYETTE	LA 318 237-9211	1:46	DDC	PEAK	0.42
29	6/18/97	8:34:47A	TO LAFAYETTE	LA 318 984-6918	5:07	DDC	PEAK	1.22
30	6/18/97	8:40:11A	TO LAFAYETTE	LA 318 237-9211	2:29	DDC	PEAK	0.59
31	6/18/97	8:45:12A	TO LAFAYETTE	LA 318 237-9211	1:10	DDC	PEAK	0.27
32	6/18/97	8:53:45A	TO LAFAYETTE	LA 318 237-9211	1:10	DDC	PEAK	0.27
33	6/18/97	8:55:50A	TO MONROE	LA 318 343-9274	0:30	DDC	PEAK	0.12
34	6/18/97	8:56:10A	TO MONROE	LA 318 343-9274	3:44	DDC	PEAK	0.99
35	6/18/97	9:47:22A	TO LAFAYETTE	LA 318 237-9211	1:00	DDC	PEAK	0.24
36	6/18/97	12:18:29P	TO LAFAYETTE	LA 318 237-9211	0:59	DDC	PEAK	0.23
37	6/18/97	1:57:54P	TO LAFAYETTE	LA 318 237-9211	1:10	DDC	PEAK	0.27
38	6/18/97	1:59:41P	TO LAFAYETTE	LA 318 237-9211	0:30	DDC	PEAK	0.12
39	6/18/97	4:15:23P	TO LAFAYETTE	LA 318 237-9211	1:11	DDC	PEAK	0.28
40	6/18/97	4:17:01P	TO LAFAYETTE	LA 318 984-6918	7:16	DDC	PEAK	1.73
41	6/19/97	8:27:28A	TO LAFAYETTE	LA 318 237-9211	3:40	DDC	PEAK	0.88
42	6/19/97	8:50:28A	TO LAFAYETTE	LA 318 237-9211	0:58	DDC	PEAK	0.23
43	6/19/97	9:08:30A	TO LAFAYETTE	LA 318 984-6918	1:02	DDC	PEAK	0.24
44	6/19/97	9:09:45A	TO LAFAYETTE	LA 318 237-9211	2:24	DDC	PEAK	0.58
45	6/19/97	9:47:33A	TO LAFAYETTE	LA 318 237-9211	1:33	DDC	PEAK	0.37
46	6/19/97	10:01:25A	TO MONROE	LA 318 388-5200	0:30	DDC	PEAK	0.12
47	6/19/97	10:03:31A	TO MONROE	LA 318 343-3681	3:01	DDC	PEAK	0.80
48	6/19/97	10:03:14A	TO MONROE	LA 318 343-9274	0:30	DDC	PEAK	0.12
49	6/19/97	11:36:50A	TO LAFAYETTE	LA 318 237-9211	2:36	DDC	PEAK	0.61
50	6/19/97	11:39:50A	TO LAFAYETTE	LA 318 984-6918	0:30	DDC	PEAK	0.12
51	6/19/97	11:41:38A	TO LAFAYETTE	LA 318 237-9211	1:15	DDC	PEAK	0.30
52	6/19/97	12:05:22P	TO LAFAYETTE	LA 318 237-9211	1:14	DDC	PEAK	0.30
53	6/19/97	2:09:22P	TO LAFAYETTE	LA 318 237-9211	3:14	DDC	PEAK	0.77

DECLASSIFIED 09/30/2010

PD 000210

Account Number	Bill Date	Payment Due Date
730 2949 001	JUN 28, 1997	JUL 28, 1997



HERCULES OFFSHORE  
PO DRAWER 0  
FREEPORT TX 77542-1915

Account: 409 233 6371 509

# AT&T Business Service

## Call Detail

M	DATE	TIME (hh:mm:ss)	PLACE	AREA CODE/ NUMBER	DURATION (hh:mm:ss)	CALL TYPE	TIME OF DAY	POST DISCOUNT AMOUNT
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### LONG DISTANCE SERVICE

#### ELIGIBLE FOR DISCOUNT

Billed Number: 409 233-6372

1	6/19/97	3:34:23P	TO LAFAYETTE	LA 318 237-9211	2:26	DDC	PEAK	0.58
2	6/19/97	3:47:00P	TO LAFAYETTE	LA 318 237-9211	0:31	DDC	PEAK	0.12
3	6/19/97	3:47:49P	TO LAFAYETTE	LA 318 984-6918	0:30	DDC	PEAK	0.12
4	6/20/97	8:19:24A	TO LAFAYETTE	LA 318 984-6918	8:31	DDC	PEAK	2.04
5	6/20/97	8:28:11A	TO LAFAYETTE	LA 318 237-9211	0:52	DDC	PEAK	0.20
6	6/20/97	9:36:46A	TO LAFAYETTE	LA 318 237-9211	2:28	DDC	PEAK	0.59
7	6/22/97	9:53:59A	TO LAFAYETTE	LA 318 237-9211	0:30	DDC	OPEAK	0.09
8	6/25/97	4:04:45P	TO ARANSSPASS	TX 512 758-2554	6:08	DDC	PEAK	0.85
9	6/26/97	1:24:42P	TO CAMERON	LA 318 775-5712	1:31	DDC	PEAK	0.36
0	6/27/97	3:14:29P	TO CAMERON	LA 318 775-5712	6:39	DDC	PEAK	1.59

### INELIGIBLE FOR DISCOUNT

1	6/02/97	7:11:48A	TO JENA	LA 318 992-2806	3:00	OHS	OPEAK	4.16
2	6/02/97	7:13:52A	TO CREDIT	LA 318 992-2806	1:00	ODR	OPEAK	0.22
3	6/03/97	1:23:45P	TO ORANGE	CA 714 978-1900	10:00	OHS	PEAK	7.60

SUBTOTAL FOR 409 233-6372

\$195.71

### INELIGIBLE FOR DISCOUNT

Billed Number: 409 233-6373

4	5/29/97	3:49:56P	TO LAFAYETTE	LA 318 237-9211	1:45	DDC	PEAK	0.41
5	5/29/97	4:42:31P	TO LAFAYETTE	LA 318 237-9211	2:34	DDC	PEAK	0.60
6	6/02/97	7:20:06A	TO PLAQUEMINE	LA 504 685-0739	11:29	DDC	OPEAK	1.97
7	6/02/97	9:19:56A	TO CAMERON	LA 318 775-7234	0:30	DDC	PEAK	0.12
8	6/02/97	10:31:44A	TO PLAQUEMINE	LA 504 685-0739	0:30	DDC	PEAK	0.12
9	6/02/97	10:33:08A	TO PLAQUEMINE	LA 504 685-0739	0:30	DDC	PEAK	0.12
0	6/02/97	1:30:23P	TO PLAQUEMINE	LA 504 685-0739	9:47	DDC	PEAK	2.33
1	6/02/97	4:13:46P	TO PLAQUEMINE	LA 504 685-0739	0:30	DDC	PEAK	0.12
2	6/02/97	4:14:12P	TO PLAQUEMINE	LA 504 685-0423	1:12	DDC	PEAK	0.29
3	6/02/97	5:02:02P	TO PLAQUEMINE	LA 504 685-0739	11:39	DDC	OPEAK	1.99
4	6/03/97	6:46:44A	TO BATONROUGE	LA 504 775-7234	0:30	DDC	OPEAK	0.09
5	6/03/97	6:47:13A	TO CAMERON	LA 318 775-7234	9:32	DDC	OPEAK	1.64
6	6/03/97	7:11:23A	TO PLAQUEMINE	LA 504 685-0739	0:30	DDC	OPEAK	0.09
7	6/03/97	7:15:36A	TO PLAQUEMINE	LA 504 685-0739	14:24	DDC	OPEAK	2.48
8	6/03/97	8:37:07A	TO LAFAYETTE	LA 318 237-9211	0:57	DDC	PEAK	0.23
9	6/03/97	11:20:27A	TO PLAQUEMINE	LA 504 685-0739	3:56	DDC	PEAK	0.94
0	6/03/97	11:48:00A	TO AMITE CITY	LA 504 748-8175	0:30	DDC	PEAK	0.12
1	6/03/97	3:16:31P	TO PLAQUEMINE	LA 504 685-0739	0:30	DDC	PEAK	0.12
2	6/03/97	3:31:59P	TO AUSTIN	TX 512 473-9452	10:55	DDC	PEAK	1.46
3	6/03/97	5:08:44P	TO AUSTIN	TX 512 473-9452	0:57	DDC	OPEAK	0.10
4	6/03/97	5:28:30P	TO AUSTIN	TX 512 473-9452	0:30	DDC	OPEAK	0.05
5	6/03/97	5:56:24P	TO CAMERON	LA 318 775-7234	7:57	DDC	OPEAK	1.37
6	6/03/97	6:10:44P	TO PLAQUEMINE	LA 504 685-0739	0:30	DDC	OPEAK	0.09
7	6/04/97	8:28:29A	TO PLAQUEMINE	LA 504 685-0739	17:10	DDC	PEAK	4.09
8	6/04/97	9:00:06A	TO SKOKIE	IL 847 967-7730	2:59	DDC	PEAK	0.78
9	6/04/97	9:19:33A	TO HOUMA	LA 504 852-4104	4:20	DDC	PEAK	1.03
0	6/04/97	11:08:55A	TO CAMERON	LA 318 775-5712	1:24	DDC	PEAK	0.33
1	6/04/97	11:34:30A	TO PLAQUEMINE	LA 504 685-0739	13:32	DDC	PEAK	3.23
2	6/04/97	3:44:57P	TO PLAQUEMINE	LA 504 687-9546	0:30	DDC	PEAK	0.12
3	6/04/97	4:57:38P	TO PLAQUEMINE	LA 504 685-0739	0:30	DDC	PEAK	0.12
4	6/04/97	4:58:23P	TO PLAQUEMINE	LA 504 685-0423	1:37	DDC	PEAK	0.38

DECLASSIFIED  
09/30/2010

PD 000211

Account Number	Bill Date	Payment Due Date
730 2949 001	JUN 28, 1997	JUL 28, 1997



HERCULES OFFSHORE  
PO DRAWER 0  
FREEPORT TX 77542-1915

Account: 409 233 6371 509

# T&T Business Service

## Call Detail

EM	DATE	TIME (hh:mm:ss)	PLACE	AREA CODE/ NUMBER	DURATION (hh:mm:ss)	CALL TYPE	TIME OF DAY	POST DISCOUNT AMOUNT
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### LONG DISTANCE SERVICE

### ELIGIBLE FOR DISCOUNT

Billed Number: 409 233-6373

1	6/04/97	4:58:23P	TO PLAQUEMINE	LA 504 685-0423	0:18	DDC	OPEAK	0.05
2	6/04/97	5:00:48P	TO PLAQUEMINE	LA 504 687-9546	0:30	DDC	OPEAK	0.09
3	6/04/97	5:24:15P	TO PLAQUEMINE	LA 504 685-0739	0:30	DDC	OPEAK	0.09
4	6/04/97	5:41:36P	TO CAMERON	LA 318 775-7234	1:03	DDC	OPEAK	0.17
5	6/05/97	6:11:10A	TO CAMERON	LA 318 775-7234	1:23	DDC	OPEAK	0.24
6	6/05/97	8:39:43A	TO PLAQUEMINE	LA 504 685-0739	0:30	DDC	PEAK	0.12
7	6/05/97	8:40:20A	TO PLAQUEMINE	LA 504 685-0423	1:12	DDC	PEAK	0.29
8	6/05/97	9:11:43A	TO AMITE CITY	LA 504 748-3234	0:30	DDC	PEAK	0.12
9	6/05/97	1:54:19P	TO PLAQUEMINE	LA 504 685-0739	8:49	DDC	PEAK	2.10
10	6/05/97	2:42:28P	TO PLAQUEMINE	LA 504 685-0423	0:42	DDC	PEAK	0.16
11	6/05/97	4:14:32P	TO LAFAYETTE	LA 318 237-9211	2:23	DDC	PEAK	0.57
12	6/06/97	7:41:10A	TO LAFAYETTE	LA 318 237-9211	3:12	DDC	OPEAK	0.54
13	6/06/97	9:54:22A	TO CAMERON	LA 318 775-7232	0:30	DDC	PEAK	0.12
14	6/06/97	10:15:51A	TO CAMERON	LA 318 775-7234	9:29	DDC	PEAK	2.27
15	6/06/97	11:01:59A	TO LAFAYETTE	LA 318 237-9211	3:33	DDC	PEAK	0.85
16	6/06/97	11:28:45A	TO CAMERON	LA 318 775-7234	3:01	DDC	PEAK	0.72
17	6/06/97	3:26:53P	TO JENA	LA 318 992-3232	4:04	DDC	PEAK	0.97
18	6/06/97	3:44:41P	TO LAFAYETTE	LA 318 237-9211	1:00	DDC	PEAK	0.24
19	6/06/97	4:24:09P	TO LAFAYETTE	LA 318 237-9211	3:00	DDC	PEAK	0.72
20	6/06/97	6:38:16P	TO LAFAYETTE	LA 318 237-9211	1:41	DDC	OPEAK	0.29
21	6/06/97	6:44:27P	TO LAFAYETTE	LA 318 993-8180	0:54	DDC	OPEAK	0.16
22	6/06/97	6:55:46P	TO LAFAYETTE	LA 318 237-9211	5:24	DDC	OPEAK	0.92
23	6/08/97	7:23:25A	TO LAFAYETTE	LA 318 984-6918	1:29	DDC	OPEAK	0.25
24	6/09/97	10:03:17A	TO CAMERON	LA 318 775-5297	1:20	DDC	PEAK	0.32
25	6/09/97	10:13:24A	TO CAMERON	LA 318 775-5297	1:26	DDC	PEAK	0.34
26	6/09/97	11:39:03A	TO CAMERON	LA 318 775-7234	5:30	DDC	PEAK	1.31
27	6/10/97	10:28:21A	TO LAFAYETTE	LA 318 237-9211	2:40	DDC	PEAK	0.64
28	6/11/97	9:57:56A	TO LAFAYETTE	LA 318 237-9211	2:06	DDC	PEAK	0.50
29	6/11/97	3:13:22P	TO CAMERON	LA 318 775-7234	1:04	DDC	PEAK	0.25
30	6/12/97	12:24:45P	TO LAFAYETTE	LA 318 237-9211	1:25	DDC	PEAK	0.33
31	6/13/97	9:16:36A	TO CAMERON	LA 318 775-5712	3:20	DDC	PEAK	0.80
32	6/13/97	12:07:39P	TO CAMERON	LA 318 775-5712	10:22	DDC	PEAK	2.48
33	6/16/97	7:53:19A	TO EDINBURG	TX 210 380-0781	5:13	DDC	OPEAK	0.67
34	6/16/97	9:21:04A	TO CAMERON	LA 318 775-5712	3:51	DDC	PEAK	0.92
35	6/16/97	11:42:54A	TO NEWTON	NJ 201 380-0781	0:30	DDC	PEAK	0.12
36	6/17/97	10:36:22A	TO BROUSSARD	LA 318 837-4757	2:28	DDC	PEAK	0.59
37	6/17/97	10:48:55A	TO LAFAYETTE	LA 318 237-9211	1:39	DDC	PEAK	0.39
38	6/18/97	7:59:50A	TO LAFAYETTE	LA 318 237-9211	0:30	DDC	OPEAK	0.09
39	6/18/97	7:59:50A	TO LAFAYETTE	LA 318 237-9211	2:00	DDC	PEAK	0.47
40	6/19/97	4:13:16P	TO LAFAYETTE	LA 318 237-9211	0:53	DDC	PEAK	0.21
41	6/20/97	10:02:29A	TO CAMERON	LA 318 775-5712	0:41	DDC	PEAK	0.16
42	6/22/97	9:10:30A	TO LAFAYETTE	LA 318 237-9211	1:33	DDC	OPEAK	0.26
43	6/22/97	9:12:44A	TO LAFAYETTE	LA 318 984-6918	1:47	DDC	OPEAK	0.30

SUBTOTAL FOR 409 233-6373

\$50.13

Billed Number: 409 233-6374

4	6/03/97	11:26:12A	TO AUSTIN	TX 512 473-9452	0:31	DDC	PEAK	0.06
5	6/03/97	1:01:35P	TO CAMERON	LA 318 775-7234	3:24	DDC	PEAK	0.81
6	6/06/97	11:50:03A	TO CAMERON	LA 318 775-7234	5:04	DDC	PEAK	1.21
7	6/13/97	1:21:25P	TO EDINBURG	TX 210 380-1149	0:30	DDC	PEAK	0.06
8	6/16/97	11:43:22A	TO EDINBURG	TX 210 380-0781	2:28	DDC	PEAK	0.34

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09/30/2010

PD 000212

Account Number	Bill Date	Payment Due Date
730 2949 001	JUN 28, 1997	JUL 28, 1997
Account: 409 233 6371 509		



MERCULES OFFSHORE  
PO DRAWER 0  
FREEPORT TX 77542-1915

T&T Business Service

Call Detail

M	DATE	TIME (hh:mm:ss)	PLACE	AREA CODE/ NUMBER	DURATION (hh:mm:ss)	CALL TYPE	TIME OF DAY	POST DISCOUNT AMOUNT
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LONG DISTANCE SERVICE

ELIGIBLE FOR DISCOUNT

Billed Number: 409 233-6374

SUBTOTAL FOR 409 233-6374 \$2.48

DECLASSIFIED  
09/30/2010

# HERCULES

MARINE SERVICES CORPORATION

P. O. Drawer O • Freeport, Texas 77541

INVOICE NO. : 3988

DATE : 7-31-97

Job No. : 7-5621

Location : Freeport, TX

TO: BASF  
602 Copper Road  
Freeport, Texas 77541

PLEASE REMIT PAYMENTS TO:  
11011 RICHMOND  
SUITE 500  
HOUSTON, TX. 77042

Terms : Net 30

FOR: Services to the ETT 114 as follows:

Hot water wash, strip and blow dry.

LABOR:	Leadman	8 Hrs.	@	\$ 35.00 (ST)	\$ 280.00
	Leadman	.5 Hrs.	@	\$ 49.50 (OT)	\$ 24.75
	Journeyman	32 Hrs.	@	\$ 32.50 (ST)	\$ 1,040.00
	Journeyman	2 Hrs.	@	\$ 45.75 (OT)	\$ 91.50
DISPOSAL:	Water	3,000 Gallons	@	\$ .35/Gal.	\$ 1,050.00
STOCK:	\$44.00	Plus 25%	@	\$ 11.00	\$ 55.00
EQUIPMENT:	Compressor	8 Hrs.	@	\$ 48.00/Hr.	\$ 384.00
	Air Movers	32 Hrs.	@	\$ 5.00/Hr.	\$ 160.00
	Vacuum	4 Hrs.	@	\$ 30.00/Hr.	\$ 120.00
	Hand Hose	4 Hrs.	@	\$ 12.00/Hr.	\$ 48.00
	2" Strip Pump	4 Hrs.	@	\$ 15.00/Hr.	\$ 60.00
	Steam Rig	4.5 Hrs.	@	\$100.00/Hr.	\$ 450.00

TOTAL AMOUNT DUE \$ 3,763.25

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09/30/2010

PD 000214

HONE: (409) 233-6371

## HERCULES MARINE SERVICES

## DAILY TIME LOG

DATE:	7-30-97	CUSTOMER:	BASF
JOB NO:	5621	BARGE:	ETT-114

START TIME 8:00 AMSTOP TIME 5:00 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Aludie	8½				
Cruz	8½				
Rivera	8½				
Quintero	8½				
Caron	8½				

MATERIAL LIST:

DECLASSIFIED  
09/30/2010

JOB DESCRIPTION:

HOT WATER WASH. BLOW DRY.

PD 000215

SUBMITTED BY:

Aludie Ovent

DATE:

7-30-97



# HERCULES

MARINE SERVICES CORPORATION

Strength through environmental awareness and customer service

P.O. Drawer O  
Freeport, Texas 77541

Office (409) 233-6371  
Fax. (409) 233-6375

DATE: 7-30-97 JOB NO: 5621 BARGE/MV: ETT-110

EQUIPMENT USED	HOURS USED
Compressor	8
Air Movers	32
Vacuum	4
Hand Hose	4
Boiler	4 1/2
2" Strip Pump	4
3" Diesel Pump	
Crane	
Cherry Picker	
Tugboat	
Welding Machine	
Cutting Rig	
Work Barge	
Haul Out	
Truck	
Hand Tools	
100 Sack Sand Pot	
Sandblasting Hoses	
2" Sandblasting Hoses	

STOCK USED	QUANTITY USED
Coveralls	
Batteries	2
Flashlights	
Respirator Filters	4
Gloves	3
Goggles	2
Gaskets	
Boots	
Raincoat	
White Rags	
Cleaner	

OTHER MISCELLANEOUS ITEMS USED:

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09/30/2010



# HERCULES

MARINE SERVICES CORPORATION

P. O. Drawer O • Freeport, Texas 77541

INVOICE NO. : 3990

DATE : 7-31-97

Job No. : 7-5623

Location : Freeport, TX

TO: BASF  
602 Copper Road  
Freeport, Texas 77541

PLEASE REMIT PAYMENTS TO:  
11011 RICHMOND  
SUITE 500  
HOUSTON, TX. 77042

Terms : Net 30

FOR: Services to the ETT 110 as follows:

Cold Water Wash, Hot Water Wash, Strip and Blow Dry.

LABOR:	Leadman	8 Hrs.	@	\$ 35.00 (ST)	\$ 280.00
	Journeyman	32 Hrs.	@	\$ 32.50 (ST)	\$ 1,040.00
DISPOSAL:	Water	6,000 Gallons	@	\$ 0.35/Gal.	\$ 2,100.00
STOCK:	\$61.00	Plus 25%	@	\$ 15.25	\$ 76.25
EQUIPMENT:	Compressor	8 Hrs.	@	\$ 48.00/Hr.	\$ 384.00
	Air Movers	32 Hrs.	@	\$ 5.00/Hr.	\$ 160.00
	Vacuum	4 Hrs.	@	\$ 30.00/Hr.	\$ 120.00
	Hand Hose	4 Hrs.	@	\$ 12.00/Hr.	\$ 48.00
	2" Strip Pump	4 Hrs.	@	\$ 15.00/Hr.	\$ 60.00
	Steam Rig	4.5 Hrs.	@	\$ 100.00/Hr.	\$ 450.00

TOTAL AMOUNT DUE

\$ 4,718.25

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## HERCULES MARINE SERVICES

## DAILY TIME LOG

DATE:	<u>7-31-97</u>	CUSTOMER:	<u>BASE</u>
JOB NO:	<u>5623</u>	BARGE:	<u>ETT-110</u>

START TIME 8:00 AMSTOP TIME 4:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
<u>Claudio</u>	<u>8</u>				
<u>Casas</u>	<u>8</u>				
<u>Quintero</u>	<u>8</u>				
<u>Rivera</u>	<u>8</u>				
<u>Cruz</u>	<u>8</u>				

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MATERIAL LIST:

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JOB DESCRIPTION:

Hot water wash. and cold.  
water wash. BLOW dry.

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PD 000218

SUBMITTED BY:

Claudio Quintero

40

DATE:

7-31-97



# HERCULES

MARINE SERVICES CORPORATION

Strength through environmental awareness and customer service

P.O. Drawer O  
Freeport, Texas 77541

Office (409) 233-6371  
Fax. (409) 233-6375

DATE: 7-31-92 JOB NO: 5623 BARGE/MV: ETT-110

EQUIPMENT USED	HOURS USED
Compressor	8
Air Movers	32
Vacuum	4
Hand Hose	4
Boiler	2 1/2
2" Strip Pump	4
3" Diesel Pump	
Crane	
Cherry Picker	
Tugboat	
Welding Machine	
Cutting Rig	
Work Barge	
Haul Out	
Truck	
Hand Tools	
100 Sack Sand Pot	
Sandblasting Hoses	
2" Sandblasting Hoses	

STOCK USED	QUANTITY USED
Coveralls	
Batteries	2
Flashlights	1
Respirator Filters	4
Gloves	1
Goggles	1
Gaskets	
Boots	1
Raincoat	
White Rags	
Cleaner	

OTHER MISCELLANEOUS ITEMS USED:

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09/30/2010

Revised July, 1997

PD 000219

# HERCULES

MARINE SERVICES CORPORATION

P. O. Drawer O • Freeport, Texas 77541

INVOICE NO. : 3759  
DATE : February, 1997  
Job No. : 2-5393  
Location : Freeport, TX

TO: Hercules Offshore  
11011 Richmond Ave., Suite 500  
Houston, Texas 77042

PLEASE REMIT PAYMENTS TO:  
11011 RICHMOND  
SUITE 500  
HOUSTON, TX. 77042

Terms : Net 30

YARD

FOR: Pick up old wooden pallets of lumber, paper, old gallon wash barrels full of trash and rags, filter and metal. haul and dispose. Offload winch, reloading. Locate material on dock. Pick up scrap metal and trash, clean up hardpoint, move offshore items to make room for other work. Disconnect electricity, water and sewer, rig four way cable with spreader to lift trailer and load onto truck to Lafayette. Move strongback out of Fab Shop to sandblast yard. Load angle iron.

LABOR:	Journeyman	109.5 Hrs.	@	31.00 (ST)	\$ 3,394.50
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EQUIPMENT:	Crane Rental			400.00	400.00
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TOTAL AMOUNT DUE					\$ 3,794.50
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DECLASSIFIED 09/30/2010

Tom / H

HONE: (409) 233-6371

PD 000220

# DAILY TIME LOG

DATE	2-4-97	CUSTOMER	
PHONE		CHARGE	OFFSHORE

START TIME 10:00 AM

STOP TIME 2:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
River	4				
Mark	4				
Cruz	4				
Quinten	4				

MATERIAL LIST:

JOB DESCRIPTION:

Picking up old wooden Pellets, lumber, Paper, old 55 gal. Wash Bassels full of washed oil rags & filters, metal. Kae & Disposed.

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09/30/2010

PD 000221

# DAILY TIME LOG

DATE:	2-5-97	CUSTOMER:	Hercules Offshore
JOB NO:	<del>2-5396</del> 2-5396	DARGE:	Laff yard

START TIME 7:00 AM

STOP TIME 9:00 AM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
J. Olivarez	1	1			
R.S. Pettit	1	1			
M. Lovelace	1	1			

## MATERIAL LIST:

Crane

## JOB DESCRIPTION:

off load winch, and reload with 1-13 5/8 Shaffer Hydraulic Rubber  
 1-50 HP Elec. Motor  
 1-5X6 Centrifugal pump

3/100

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09/30/2010

PD 000222

# DAILY TIME LOG

DATE:	2-5-87	CUSTOMER:	Hercules Offshore
JOB NO:	2- <del>5386</del> 2-5393	BARGE:	Laff. La. Office

START TIME 3:30 PM

STOP TIME 4:00 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
RSPettit	1.5	1			

MATERIAL LIST:

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JOB DESCRIPTION:

Locating Material

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DECLASSIFIED  
09/30/2010

PD 000223

DAILY TIME LOC

DATE	2-5-87	CUSTOMER	
OFFICE		WATCH	OFFSHORE

START TIME: 8:00 AM

STOP TIME: 1:30 PM

[illegible]

## MATERIAL LIST:

**JOH DESCRIPTION:**

DESCRIPTION: Pick up scrap metal & garbage on offshore side of yard.

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09/30/2010

PD 000224

# DAILY TIME LOG

DATE	2-6-97	CUSTOMER	
PHONE		BARBER	OFFSHORE

START TIME 10:00 AM

STOP TIME 2:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Alvarez	5				
Caron	5				
Cruz	5				
Rivera	5				

MATERIAL LIST:

JOB DESCRIPTION:

Pick up scrap metal and trash from  
Offshore side of yard (Clean up yard).

DECLASSIFIED  
09/30/2010

PD 000225



# DAILY TIME LOG

DATE	2-7-97	CUSTOMER	
OFFICE		HAIR	OFFSHORE

START TIME 8:00 AM

STOP TIME 12:00 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Charles	2				
Casey	4				
Quinton	4				
Casey	4				
River	2				

MATERIAL LIST:

JOB DESCRIPTION:

Gathering up all scrap - Iron for good clean up.

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09/30/2010

PD 000226

# DAILY TIME LOG

DATE:	2-12-97	CUSTOMER:	
JOB NO:		BARGE:	OFFSHORE

START TIME 8:00 AM

STOP TIME 1:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Chadler	5 1/2				
Carson	5				
Cruz	5				
Quinter	5				
Rivera	5				

MATERIAL LIST:

DECLASSIFIED  
09/30/2010

JOB DESCRIPTION:

Gathering and disposing of all wood, metal and trash on offshore side around Bunkhouse and Galley.

25.5

PD 000227

# DAILY TIME LOG

DATE:	<u>2-13-97</u>	CUSTOMER:	
JOB NO:		BARGE:	<u>OFFSHORE</u>

START TIME 9:00 AM

STOP TIME 4:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
<u>Phillip</u>	<u>6</u>				
<u>Corcor</u>	<u>7</u>				
<u>Cruz</u>	<u>7</u>				
<u>Quinter</u>	<u>7</u>				
<u>Rivers</u>	<u>7</u>				

MATERIAL LIST:

DECLASSIFIED 09/30/2010

JOB DESCRIPTION:

Clean up Hardpoint, moving offshore items to make room to work.

*50110*

PD 000228

# DAILY TIME LOG

DATE:	2-14-97	CUSTOMER:	
JOB NO:		BARGE:	OFFSHORE

START TIME 8:00 AM

STOP TIME 12:00 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Chadler					
Carson	21				
Quinton	4				
Coats	4				
Rivers	4				

MATERIAL LIST:

DECLASSIFIED  
09/30/2010

JOB DESCRIPTION:

Yard clean up, Wardpoint (around Crane) moving offshore equipment, Tanks, Beams to make room on Wardpoint.

## DAILY TIME LOG

DATE:	2-18-97	CUSTOMER:	Hercules Offshore
JOB NO:	2-5392	DARGE:	yard

START TIME 7:00 AM

STOP TIME 11:00 AM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R.S. Pettit	<del>1</del> 2	3			
J. Rivera	<del>2</del>	2			
C. Duarte	<del>2</del>	2			
D. Hernandez	<del>1</del>	1			

## MATERIAL LIST:

45 Ton Rental Crane, Spreader beams

## JOB DESCRIPTION: Disconnect - Elec., water and Sewer

Ripping four way cable with Spreader to lift trailer and load onto truck to Lathayard

## DAILY TIME LOG

DATE:	2-18-97	CUSTOMER:	
JOB NO:		BARGE:	OFFSHORE

START TIME 8:00 AM

STOP TIME 11:00 AM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Alvord	2				
Caron	2				
Quintan	2				
Cruz	3				

## MATERIAL LIST:

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## JOB DESCRIPTION:

Move Strongback out of Fab. Shop to Sandblast yard.  
 Load living quarters Trailer onto Tractor Trailer for transport.  
 Clean up area under Trailer; move Beam & damage.

# DAILY TIME LOG

DATE:	2-20-97	CUSTOMER:	
JOB NO:		BARGE:	OFFSHORE

START TIME 8:00 AM

STOP TIME 10:00 AM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
Quinten	2				
Carson	2				
Cruz	2				
Rivero	2				

MATERIAL LIST:

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JOB DESCRIPTION:

Clean for Remove all trash by Gate #4 (Sandblast yard)  
left by Rig 2 (old Trash Bag, PVC 3" 2" line pipe, metal  
handrails, grading pieces)

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09/30/2010

PD 000232

8/1/97

# DAILY TIME LOG

DATE:	2-27-97	CUSTOMER:	Hercules Offshore
JOB NO:		BOAT:	Rig #3

START TIME 2:30 PM

STOP TIME 3:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R. S. Pettit	1	1			
J. Quintero	1	1			
L. Cruz	1	1			

## MATERIAL LIST:

Crane

## JOB DESCRIPTION:

load 3 joint of Angle iron 2"x2"x20', 2-plate 4'x8'x1/8" and round basket-(rope)



# HERCULES

MARINE SERVICES CORPORATION

P. O. Drawer O • Freeport, Texas 77541

INVOICE NO. 3748

DATE Jan. 31, 1997

Job No. 1-5382

Location Freeport, TX

TO:

Hercules Offshore  
11011 Richmond Ave., Suite 500  
Houston, Texas 77042

PLEASE REMIT PAYMENTS TO:  
11011 RICHMOND  
SUITE 500  
HOUSTON, TX. 77042

Terms : Net 30

FOR:

Service to Yard as follows:

Gather, pick up old scrap metal, pellets, lumber, paper, old 55 gallon barrels full of trash, oil rags and filters. Hauled and disposed of. Offload Ace Truck, spool of cable. Cleaned up, organized items inside Quansit hut, disposed of no value items, old boxes and paper. Gather equipment and load onto truck for offshore. Load trucks for Offshore, IDM top drive control house and one set of scoping lines.

LABOR:	Journeyman	64.5 hrs.	@	31.00 (ST)	1,999.50
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TOTAL AMOUNT DUE

\$1,999.50

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09/30/2010

*John H.*

PD 000234

PHONE: (409) 233-6371

DECLASSIFIED  
09/30/2010

### DAILY TIME LOG

DATE:	1-31-97	CUSTOMER:	Hercules Offshore
JOB NO:		BOAT:	Rig #3

START TIME 10:00

STOP TIME 12:00

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
J. Olivarez	2	2			
J. Rivera	2	2			
J. Casas	2	2			

#### MATERIAL LIST:

Crane

#### JOB DESCRIPTION:

Offload Crew boat - M/V Hayden

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09/30/2010

# DAILY TIME LOG

DATE:	Jan 28, 97	CUSTOMER:	Hercules Offshore
JOB NO:	1-5382	DARGE:	Hercules Off. La yard

START TIME 10:00

STOP TIME 12:00

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
R. S. Pettit	2	2			
J. Olugbire	2	2			
J. Casas	2	2			

## MATERIAL LIST:

Crane

## JOB DESCRIPTION:

loading trucks, EDM Top Drive Control House and  
1st-Scoping lines

PD 000236

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09/30/2010

## DAILY TIME LOG

DATE:	<u>7-10-97</u>	CUSTOMER:	<u>Hercules Offshore</u>
JOB NO:	<u>1-5382</u>	DARGE:	<u>yard</u>

START TIME 8:00 AM

STOP TIME 2:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
<u>R.S. Pettit</u>	<u>2.5</u>	<u>2.5</u>			
<u>J. Olivarez</u>	<u>2</u>	<u>2</u>			

### MATERIAL LIST:

Cherry Picker

### JOB DESCRIPTION:

Getting equipment together to load onto truck, and load truck

4.5

PD 000237

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09/30/2010

# DAILY TIME LOG

DATE	<u>1-2-98</u>	CUSTOMER	
PHONE		CHARGE	<u>Harb.</u>

START TIME 8:00 AM

STOP TIME 4:30 PM

NAME	HOURS	TOTAL HOURS	NAME	HOURS	TOTAL HOURS
<u>Alvord</u>	<u>8</u>				
<u>Cross</u>	<u>8</u>				
<u>Quinter</u>	<u>8</u>				
<u>mark</u>	<u>8</u>				
<u>Cross</u>	<u>8</u>				
<u>River</u>	<u>8</u>				

MATERIAL LIST:

JOB DESCRIPTION:

Clear up and organize all items inside Zuccat hut; dispose  
off anything of no value (boxes and papers, etc...)

PD 000238

P.O. Box 263046  
HOUSTON, TEXAS 77207

## 1955

TO

1-18-95 5623

HERCULES

**JOB LOCATION:** FREEPORT TEXAS

**TERMS**

4498-89979

[illegible]

DECLASSIFIED 09/30/2010

PD 000239

**Original**

 40% Pre-Consumer Content

Thurs, Nov.

# HERCULES

MARINE SERVICES CORPORATION

P. O. Drawer O • Freeport, Texas 77541

INVOICE NO. : 2831-95

DATE : Feb 28, 1995

Job No. : 4546-1

Location : Freeport Yard

TO: Hercules Offshore Corp  
11011 Richmond Suite 500  
Houston, Texas 77042

PLEASE REMIT PAYMENTS TO:  
11011 RICHMOND  
SUITE 500  
HOUSTON, TX. 77042

Terms : Net 30

FOR: Services as follows:

Weekly rental .....	\$ 1,250.00
Borrow men for rework of drilling rig in yard	
2/14 Clean shop area	
Roust 8 @ 12.85	102.80
2/15 Clean yard w/front end loader	
Roust 13 @ 12.85	167.05
2/16 Clean yard w/front end loader	
Roust 6 @ 12.85	77.10

TOTAL AMOUNT DUE:

\$ 1,596.95

Attachments

*Tom J P*

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09/30/2010

P.O. Box 263046  
HOUSTON, TEXAS 77207

1973

TO

DATE 1-24-95

5304

HERCULES

FREEPORT TEXAS

## TERMS

[illegible]

**Original**

40% Pre-Consumer Content



# HERCULES

MARINE SERVICES CORPORATION

P. O. Drawer O • Freeport, Texas 77541

INVOICE NO. : 2786-95  
DATE : Jan 26, 1995  
Job No. : 4498-1  
Location : Freeport Yard

TO: Hercules Offshore Corp  
11011 Richmond Suite 500  
Houston, Texas 77042

PLEASE REMIT PAYMENTS TO:  
11011 RICHMOND  
SUITE 500  
HOUSTON, TX. 77042

Terms : Net 30

FOR: Service as follows: RIG 15

Material:	Holcomb Oil Recycling	
	Trigas Invoice #'s 841780,840258,	
	Beach Bait Tackle INvoice # 115244	
	Prim Equip Invoice #'s 1132518,1132520,1132519,	
	1132876,1132868,1132873,1132874,	\$ 8,572.19
1/16	Fit and weld	
	Welders 33 @ 36.00	1,188.00
1/17	Fit and weld	
	Welders 30 @ 36.00	1,080.00
1/18	Fit and weld	
	Welders 30 @ 36.00	1,080.00
1/19	Fit and weld roof & supports over shell shaker	
	Welders 50 @ 36.00	1,800.00
1/20	Fit and weld pollution pan	
	Welders 40 @ 36.00	1,440.00
1/21	Weld roof over shell shaker	
	welders 22½ @ 36.00	810.00
	TOTAL AMOUNT DUE:	\$ 15,970.19

Attachments: timesheets

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09/30/2010



*Strength through experience. equipment. know-how*

11011 Richmond Ave., Suite 500  
Houston, Texas 77042

Office: (713) 260-6300  
Fax: (713) 789-4063

January 12, 1999

DECLASSIFIED  
09/30/2010

Law Office of Janet Casciato Northrup  
4615 Southwest Freeway  
Suite 410  
Houston, TX 77027

Re: Case No. 98-34630; In re the estate of Hercules Marine Services Corporation; In the United States Bankruptcy Court for the Southern District of Texas, Houston Division.

Gentlemen:

Please find enclosed the "Annual Waste Summary" to be filled out and forwarded to the TNRCC for Hercules Marine Services Corporation (HMSC).

Also, Mr. Larry Balinger, the previous manager for HMSC, worked during the first several months of 1998 as a contracted consultant to HMSC. In that capacity, he will need to be sent a Form 1099 for Misc. Income. Since all HMSC records have been forwarded to you, could you please fax me a copy of the bank check register (hand written list of checks and deposits), from Jan 1, 1998 through the last entry. From this information, I would be able to prepare the Form 1099 to send to Mr. Ballinger and the IRS by the February 29, 1999 deadline, and forward the retained copies to you to put with the rest of HMSC's paperwork.

If I can be of further assistance, please let me know.

Very truly yours,

A handwritten signature in black ink, appearing to read "Stephen D. Barwick", is written over a horizontal line.

Stephen D. Barwick  
Corporate Controller

Enclosure:

cc: Stephen A. Roberts - Griggs & Harrison  
Bryan Domning - Griggs & Harrison

PD 000243

## GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT is dated as of December 31, 1997 (together with any amendments or supplements hereto, this "Guaranty Agreement"), by PARKER DRILLING COMPANY, a Delaware corporation ("Guarantor"), in favor of SOUTHWEST BANK OF TEXAS, N.A., a national association ("Lender") whose office address is 4400 Post Oak Parkway, Suite 400, Houston, Texas 77027, and mailing address at P.O. Box 27459, Houston, Texas 77227-7459.

### W I T N E S S E T H:

A. Guarantor owns one hundred percent (100%) of the issued and outstanding shares of Hercules Offshore Corporation, a Texas corporation ("Obligor").

B. Lender and Obligor entered into that certain Amended Loan Agreement (as modified, the "Loan Agreement") dated as of August 20, 1996, as modified by (i) that certain First Modification to Amended Loan Agreement and Note dated as of November 18, 1996, (ii) that certain letter agreement dated December 20, 1996, (iii) that certain Second Modification to Amended Loan Agreement and Note dated as of January 14, 1997, (iv) that certain Third Modification to Amended Loan Agreement and Note dated as of March 1, 1997, (v) that certain Fourth Modification to Amended Loan Agreement and Note dated as of June 10, 1997, (vi) that certain Fifth Modification to Amended Loan Agreement and Note dated as of August 18, 1997, (v) that certain Sixth Modification to Amended Loan Agreement and Note dated as of September 18, 1997, (vi) and that certain Seventh Modification to Amended Loan Agreement and Note (the "Seventh Modification") dated as of December 31, 1997 (collectively, the "Modifications"). Lender is the legal and equitable owner and holder of that certain Amended Revolving Credit Note (as modified, the "Amended Revolving Credit Note") dated August 20, 1996, in the original principal amount of \$5,500,000.00, executed by Obligor and payable to the order of Lender, issued pursuant to the Loan Agreement and modified pursuant to the Modifications. The Amended Revolving Credit Note was secured, inter alia, by:

(1) that certain Security Agreement (as amended, the "Security Agreement") dated as of June 3, 1994, executed by Obligor in favor of Lender, as amended by (i) that certain Amendment to Security Agreement dated as of June 14, 1996, (ii) that certain Amendment to Security Agreement dated as of and August 20, 1996, (iii) that certain Third Amendment to Security Agreement dated as of November 18, 1996, (iv) that certain Fourth Amendment to Security Agreement dated as of January 14, 1997, (iv) that certain Fifth Amendment to Security Agreement dated as of March 1, 1997, and (v) that certain Sixth Amendment to Security Agreement dated as of September 18, 1997; and

(2) that certain Financing Statement (the "Financing Statement") executed by Obligor in favor of Lender and filed with the Texas Secretary of State under

financing statement number 94-109115 as amended by a UCC-3 filed with the Texas Secretary of State on November 21, 1996.

B. Obligor and Guarantor have requested, and the Lender has agreed, to modify certain terms of the Loan Agreement and the Amended Revolving Credit Note and to release the liens and security interests created by the Security Agreement and Financing Statement. Such agreement is evidenced by the Seventh Modification.

C. Lender has conditioned its agreement to make the Seventh Modification and to grant such releases upon Guarantor's execution and delivery of this Guaranty Agreement.

NOW, THEREFORE, in consideration of the premises and of other good and valuable consideration and to induce Lender at its option, at any time or from time to time to loan monies or extend financial accommodations, with or without security, to or for the account of Obligor and at the special instance and request of Lender, Guarantor hereby covenants and agrees with Lender, as follows:

## ARTICLE I

### GENERAL TERMS

Section 1.01 Terms Defined Above. As used in this Guaranty Agreement, the terms Guarantor, Lender and Obligor shall have the meanings indicated above.

Section 1.02 Certain Definitions. As used in this Guaranty Agreement, the following terms shall have the following meanings, unless the context otherwise requires:

"Financial Statements" shall mean the financial statement or statements of Guarantor described or referred to in Section 5.01 hereof.

"Indebtedness" shall mean all indebtedness, obligations and liabilities of any kind of Obligor to Lender, now outstanding or owing or which may hereafter be executed or incurred, directly between Obligor and Lender or acquired as a participation, conditionally or as collateral security for another lender, absolute or contingent, joint and/or several, secured or unsecured, due or not due, arising by operation of law or otherwise, or direct or indirect, including indebtedness, obligations and liabilities to Lender of Obligor as a member of any partnership, syndicate, association or other group, and whether incurred by Obligor as a principal, surety, endorser, guarantor, accommodation party or otherwise, which indebtedness includes without limitation, the indebtedness evidenced by the Loan Agreement and the Amended Revolving Credit Note.

"Notes" shall mean the promissory note or notes (whether one or more) of Obligor payable to the order of Lender (including the Amended Revolving Credit Note), together with any and all renewals, extensions, modifications, increases or rearrangements thereof.

"Property" shall mean any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

Section 1.03 Terms Defined in the Loan Agreement. All other terms used herein which are defined in the Loan Agreement shall have the same meaning herein unless the context otherwise requires.

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES OF GUARANTOR

Section 2.01 Representations and Warranties of Guarantor--Capacity. Guarantor hereby represents and warrants that Guarantor has legal capacity to enter into and perform this Guaranty Agreement, and that the execution and delivery and compliance with the terms hereof will not contravene or constitute a default under any material indenture, commitment, agreement or other instrument to which Guarantor is a party or by which Guarantor is bound or any existing law, rule, regulation, judgment, order or decree to which it is subject.

Section 2.02 Representations and Warranties of Guarantor--Due Organization. The Guarantor hereby represents and warrants that (a) it is duly organized, validly existing and in good standing under the laws of the state of its incorporation; (b) the execution, delivery and performance of this Guaranty Agreement (i) are within Guarantor's power, (ii) have been duly authorized by all necessary corporate action, (iii) do not contravene Guarantor's articles or certificate of incorporation or bylaws, (iv) do not contravene any law or contractual restriction (including contractual restrictions arising out of any loan agreement, indenture or mortgage relating to indebtedness or securities of the Guarantor, binding on or affecting the Guarantor), (v) will not require the consent or approval of any other person; (c) the individual signing this instrument is authorized to sign this instrument on behalf of Guarantor; and (d) Guarantor may be expected to benefit, directly or indirectly, from this Guaranty Agreement.

## ARTICLE III

### GUARANTEE OF PAYMENT

Section 3.01 Guarantee of Payment of the Obligations of Obligor. Guarantor hereby unconditionally and irrevocably, guarantees the prompt payment at maturity and the performance when due of the Indebtedness.

Section 3.02 Nature of Guaranty. This Guaranty is a complete and continuing one. The obligations, covenants, agreements and duties of Guarantor under this Guaranty Agreement shall separate and independent of the obligations of Obligor, shall be irrevocable, absolute and unconditional, shall remain in full force and effect until payment in full of the Indebtedness, and shall in no way be affected or impaired by reason of the happening from time to time of any other event, including, without limitation, the following, whether or not any such event shall have occurred without notice to or the consent of Guarantor:

(a) the waiver, compromise, settlement, termination or other release of the performance or observance by Guarantor, or any other person liable or to become liable for repayment of the Loan Agreement or the Notes or any or all of such Guarantor's or other party's agreements, covenants, terms or conditions contained in this Guaranty Agreement;

(b) the extension of the time for payment of any of the Indebtedness or of the time for performance of any obligations, covenants or agreements under or arising out of this Guaranty Agreement;

(c) any failure, omission, delay or lack on the part of Lender to enforce, assert or exercise any right, power or remedy conferred on Lender in the Loan Agreement, the Notes or this Guaranty Agreement, or the inability of Lender to enforce any provision of this Guaranty Agreement, the Loan Agreement, the Notes, or any other act or omission on the part of Lender or any of the holders from time to time of the Notes;

(d) the transfer, assignment or mortgaging, or the purported transfer, assignment or mortgaging, of all or any part of the interest of Obligor or any Guarantor in the Property or any failure of title with respect to the interest of Obligor or any Guarantor in the Property or the invalidity, unenforceability or termination of the Loan Agreement;

(e) the modification or amendment (whether material or otherwise) of any obligation, covenant or agreement set forth in this Guaranty Agreement, the Loan Agreement, or the Notes;

(f) the voluntary or involuntary liquidation, dissolution, sale of all or substantially all of the assets, marshalling of assets and liabilities, receivership, conservatorship, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition or readjustment of, or other similar proceeding affecting Obligor or any Guarantor or any of their respective assets or any allegation or contest of the validity of this Guaranty Agreement, the Loan Agreement, or the Notes;

(g) the release of Obligor or any Guarantor (or any other person liable to perform or observe any agreements, covenants, duties or obligations of any of them) from the performance or observance of any of the agreements, covenants, terms or conditions contained in the Loan Agreement, the Notes, or this Guaranty Agreement;

(h) the surrender or impairment of any security for the performance or observance of any of the agreements, covenants, terms and conditions contained in the Loan Agreement, the Notes, or this Guaranty Agreement;

(i) any failure of Obligor or any Guarantor to perform and observe any agreement or covenant, or to discharge any duty or obligation, arising out of or connected with the Loan Agreement, the Notes, this Guaranty Agreement or the occurrence or pendency of any default or event of default thereunder or any proceedings or actions as a result of, or attendant upon, such default;

(j) the inability of Lender to enforce any provision of the Loan Agreement, the Notes, or this Guaranty Agreement for any reason;

(k) the taking or the omission of any of the actions referred to in the Loan Agreement, the Notes, or of any actions under this Guaranty Agreement; or

(l) the failure to give notice to any Guarantor of the occurrence of a default under this Guaranty Agreement or of the occurrence of an event of default under the terms and provisions of the Loan Agreement, or the Notes.

No set-off, counterclaim, reduction, or diminution of any obligation, or any defense of any kind or nature (other than performance by Guarantor of Guarantor's obligations hereunder), which Obligor may have or assert or which Guarantor may have or assert against Obligor or which Obligor may have or assert against Lender shall be available hereunder to Guarantor against Lender.

In the event that, after payment in full of the Indebtedness, any payment or payments received thereon are voided or rescinded, whether as a preference in bankruptcy or otherwise, the amount of any such payment shall be deemed to be Indebtedness covered by this Guaranty Agreement. This Guaranty Agreement shall be immediately deemed revived as to such amounts and Guarantor shall remain liable for the payment of all such amounts, and shall indemnify Lender from such amounts, together with collection costs and other sums due pursuant to this Guaranty Agreement.



Section 3.03 Waivers by Guarantor. Guarantor waives acceptance of this Guaranty Agreement, notice of the Indebtedness, creation thereof, renewal, extension, rearrangement and modification thereof, and of any extension of credit or of any financial accommodation already or hereafter contracted by or extended to Obligor by Lender; Guarantor further waives notice of Lender's acceptance of and reliance on this Guaranty Agreement and Guarantor further waives presentment, demand for payment, protest and notice of non-payment or dishonor, notice of intent to accelerate the maturity of any of the Indebtedness and notice of such acceleration and all other notices and demands whatsoever. Guarantor further waives any right it may have to (a) require Lender to proceed against Obligor, or (b) require Lender to pursue any other remedy within its power and Guarantor agrees that all of its obligations under this Guaranty Agreement are independent of the obligations of Obligor under the Loan Agreement, and the Notes and that a separate action may be brought against Guarantor whether an action is commenced against Obligor under the Loan Agreement, or the Notes. Guarantor waives any defense arising by reason of any disability, lack of corporate authority or power, or other defense of Obligor of any of the Indebtedness, and shall remain liable hereon regardless of whether Obligor be found not liable thereon for any reason.

Section 3.04 Subrogation of Guarantor. Notwithstanding any payment or payments made by Guarantor by reason of this Guaranty Agreement, Guarantor shall not be subrogated to any rights of Lender. Guarantor hereby waives any claim Guarantor may have against Obligor arising from payments made by Guarantor by reason of this Guaranty Agreement, including without limitation, any right of repayment, subrogation, exoneration, contribution, indemnification, any right to participate in any claim or remedy of Lender against Obligor whether such claim, remedy or right arises in equity, or under contract, statute, or common law.

#### ARTICLE IV

#### DEFAULT AND REMEDIES

Section 4.01 Enforcement Provisions. Lender shall have the right, power and authority to do all things, including instituting or appearing in any suit or proceeding, not inconsistent with the express provisions of this Guaranty Agreement, which it may deem necessary or advisable to enforce the provisions of this Guaranty Agreement. Each and every default in payment of the Indebtedness by Obligor shall give rise to a separate cause of action hereunder, and separate suits may be brought hereunder as each cause of action arises.

Section 4.02 No Remedy Exclusive. No remedy conferred upon or reserved to Lender herein is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Guaranty Agreement or any instrument executed by Guarantor in connection herewith, or now or hereafter existing at law or in equity.



Section 4.03 Right to Proceed Against Guarantor. In the event of a default in payment of any of the Indebtedness when and as the same shall become due, whether at the stated maturity thereof, by acceleration or otherwise, Lender may proceed to enforce its rights hereunder and Lender shall have the right to proceed first and directly against any Guarantor under this Guaranty Agreement without proceeding against any other person or exhausting any other remedies which it may have and without resorting to any other security held by Lender.

Section 4.04 Guarantor to Pay Costs of Enforcement. Guarantor agree to pay all costs, expenses and fees, including, without limitation, all attorneys' fees which may be incurred by Lender in enforcing or attempting to enforce this Guaranty Agreement or protecting the rights of Lender hereunder following any default on the part of Guarantor hereunder, whether the same shall be enforced by suit or otherwise.

Section 4.05 No Waiver of Rights. No delay or omission to exercise any right or power accruing upon any default, omission or failure of performance hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

## ARTICLE V

### GENERAL

Section 5.01 Guaranty Agreement Independent of Other Agreements. The obligations of Guarantor under this Guaranty Agreement shall arise absolutely and unconditionally upon the execution and delivery of this Guaranty Agreement. This Guaranty Agreement is separate and independent of the Loan Agreement and the Notes and any modification, limitation or discharge of Obligor's liability under the Loan Agreement, and the Notes arising out of or by virtue of any bankruptcy, arrangement, reorganization or similar proceedings or by any action, suit, order, judgment, regulation or otherwise shall not modify, limit, discharge or otherwise affect the liability of Guarantor under this Guaranty Agreement in any manner whatsoever.

Section 5.02 Benefited Parties. This Guaranty Agreement is entered into by Guarantor to provide financial accommodations for Obligor, and for the benefit of Lender. This Guaranty Agreement shall not be deemed to create any right in, or to be in whole or in part for the benefit of, any person other than Lender and Guarantor. Guarantor may not assign any of its rights or obligations hereunder.

Section 5.03 Lender May Bring Suit Against Guarantor. So long as any of the Indebtedness is outstanding, if Lender shall bring any legal action or proceeding against Guarantor for the enforcement of any provisions of this Guaranty Agreement, it shall not be necessary in any such action or proceeding to make Obligor or any other person a party thereto.

Section 5.04 Interpretations. The table of contents, article and section headings of this Guaranty Agreement are for reference purposes only and shall not affect its interpretation in any respect.

Section 5.05 Entire Agreement; Counterparts; Amendments; Governing Law, Etc. This Guaranty Agreement (a) constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof; (b) may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument; (c) may be modified only by an instrument in writing signed by the duly authorized representatives of the parties and only if the consent of Lender is given in writing; and (d) shall be performable in Harris County, Texas, and shall be governed in all respects, including validity, interpretation and effect by, and shall be enforceable in accordance with, the laws of the State of Texas and the United States of America. Upon payment in full of the Indebtedness, this Guaranty Agreement shall terminate. If any provision of this Guaranty Agreement shall be held to be invalid by any court of competent jurisdiction, the invalidity of such provision shall not affect any of the remaining provisions.

Section 5.06 Further Assurances. Guarantor will execute and deliver all such instruments and take all such action as Lender may from time to time reasonably request in order fully to effectuate the purposes of this Guaranty Agreement.

Section 5.07 Notices. All notices and other communications in respect of this Guaranty Agreement to any Guarantor shall be given as provided in the applicable provisions of the Loan Agreement for notice to Obligor at the address opposite such Guarantor's signature below.

Section 5.08 Consent to Jurisdiction. Any legal suit, action or proceeding arising out of or relating to this Guaranty Agreement or any transaction contemplated hereby may be instituted in any state or federal court in Harris County, Texas, and Guarantor waives any objection which they may now or hereafter have to the laying of the venue of any such suit action or proceeding, and irrevocably submits to the jurisdiction of any such court in any such suit, action or proceeding.

Section 5.09 Guarantor's Approval of Agreement. The Loan Agreement has been submitted to Guarantor for examination, and Guarantor acknowledges that, by execution of this Guaranty Agreement, it has approved the Loan Agreement.

Section 5.10 Interpretation. This Guaranty Agreement has been made in and shall be governed by the laws of the State of Texas and of the United States of America as applicable, in all respects, including matters of construction, validity, enforcement and performance.

Section 5.11 Gender. For the purposes of this Guaranty Agreement, "he," "him" and "his" shall refer to both masculine and feminine gender and to a corporation, as the context may require.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty Agreement, as of the date first above written.

ADDRESS:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

GUARANTOR:

PARKER DRILLING COMPANY

By: JE Hendrick  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

WRITTEN CONSENT OF THE SOLE SHAREHOLDER  
OF HERCULES MARINE SERVICES CORPORATION

Pursuant to Article 9.10(A) of the Texas Business Corporation Act, the undersigned, being the only shareholder of Hercules Marine Services Corporation (the "Corporation"), hereby waives notice of a meeting and signs this instrument, in lieu of holding a special meeting, to evidence its consent to the adoption of the following resolutions being taken by the sole shareholder.

WHEREAS, pursuant to the attached letter, Barbara Mitchell has resigned as a member of the Board of Directors of the Corporation, effective January 4, 1995; and

WHEREAS, the sole shareholder of the Corporation has deemed it to be in the best interest of the Corporation to accept the resignation of Barbara Mitchell as a member of the Board of Directors and to appoint Bruce Thompson, a citizen of the United States of America, to the Board of Directors, effective January 4, 1995; therefore be it

RESOLVED, that the resignation of Barbara Mitchell as a member of the Board of Directors of the Corporation be, and it hereby is, accepted with effect from January 4, 1995; and

FURTHER RESOLVED, that Bruce Thompson, a citizen of the United States of America, be, and he hereby is, appointed to serve as a member of the Board of Directors, effective January 4, 1995, so that with the election of the new director, the present directors of the Corporation are as follows: Thomas J. Seward, Thomas E. Hord, Salehuddin Hashim, and Bruce Thompson; and

FURTHER RESOLVED, that the sole shareholder hereby ratifies and confirm all actions previously taken by the Board of Directors on behalf of the Corporation as the act and deed of the Corporation, and specifically acknowledges that all actions taken by those persons as members of the board of Directors on behalf of the Corporation inure to the benefit of the Corporation and are in the best interest of the Corporation.

The undersigned, owing 100% of the issued and outstanding stock of the Corporation, hereby consents to the actions taken herein, it being expressly intended and understood that when the sole shareholder has signed this Written Consent, this document shall be effective as of January 4, 1995.

ADWAY INTERNATIONAL LTD.  
sole shareholder

By: 

Name: Salehuddin Hashim

Title: Authorized Signatory

Barbara A. Mitchell  
11533 Pine Cone Court  
Houston, VA 22077  
Residence: 1-301-423-0712  
Office: 1-703-710-1200  
Fax: 1-703-710-4748

DECLASSIFIED 09/30/2010

4 January 1985

Mr. Salehuddin Hashim  
Board of Directors  
Hercules Offshore Corporation  
Houston, Texas  
USA

Dear Saleh,

This letter is to formalize my resignation from the Board of Hercules Offshore Corporation.

I wish you every success in the future of the company.

Sincerely,



Barbara A. Mitchell

81 : 8 5 83

PD 000255



*Strength through experience. equipment, know-how*

11011 Richmond Ave., Suite 500  
Houston, Texas 77042

Office: (713) 260-6300  
Fax: (713) 789-4063

December 30, 1997

**VIA HAND DELIVERY**

Mr. Azman Abbas  
Stockholder (Adway International Ltd.) Representative  
Hercules Marine Services Corporation  
906 Marlin Lane  
Freeport, TX 77541

Dear Azman:

HOC - 7200.051

The Management Services Agreement between Hercules Offshore Corporation ("HOC") and Hercules Marine Services Corporation ("HMSC") is hereby amended by mutual consent as set forth herein effective December 30, 1997. Henceforth, HOC will pay in cash by check on the first of each month commencing January 1, 1998 the sum of \$5,000 for the storage of any HOC equipment located now or in the future at the HMSC facility in Freeport, Texas.

HOC will continue to provide administrative services to HMSC and liability, medical and all other insurance coverage as now provided under HOC policies, as well as payroll payment and processing, and all other existing benefits while continuing to maintain all individual HMSC personnel files for these matters and each individual's employment record. In consideration for the services rendered by HOC, HMSC will pay the sum of \$2,000 in cash by check on the first of each month commencing January 1, 1998.

This amended Management Services Agreement shall terminate June 30, 1998 or the date of a filing of bankruptcy by HMSC, whichever occurs first.

Very truly yours,

Thomas J. Seward  
President

HMSC  
8540-1000

cc: Steve Barwick, Acting CFO  
James J. Davis, Parker Drilling Company  
M.A. (Tony) Nunes, Esq.

PD 000256

## MANAGEMENT SERVICES AGREEMENT

This agreement is made and entered into by and between Hercules Offshore Corporation (HOC), whose place of business is 11011 Richmond Avenue, Suite 500, Houston, TX 77042, and Hercules Marine Services Corporation (HMSC), whose place of business is 906 Marlin, Freeport, TX 77541.

### Services Provided:

1. HOC agrees to provide accounting, administration and management services to HMSC to enable HMSC to run its business.
2. HOC agrees to provide employees to HMSC and to cover those employees in certain of its benefit plans.
3. HMSC agrees to allow HOC to use approximately one-half of its yard and office facilities located in Freeport, Texas as HOC's shorebase.

### Payment:

1. HMSC agrees to pay HOC monthly an amount equal to HOC's total monthly general and administrative expenses divided by one plus the total number of drilling and workover rigs operated by HOC for the accounting, administrative and management services provided to HMSC.
2. HMSC agrees to reimburse HOC monthly for the actual payroll and benefit cost for those employees working on behalf of HMSC.
3. HOC agrees to pay HMSC a monthly rental of \$5,000 starting March 1, 1994 for the use of HMSC's facilities in Freeport, Texas.

### Term:

The term of this agreement shall be for one year and is renewable in one year increments on January 1 of each year.

The above terms and conditions have been agreed upon.

Hercules Offshore Corporation

By: *[Signature]*  
Title: *PRESIDENT*  
Date: *3/1/94*

Hercules Marine Services Corporation

By: *[Signature]*  
Title: *V.P. Operations*  
Date: *3-1-94*



## MANAGEMENT SERVICES AGREEMENT

DECLASSIFIED  
09/30/2010

This agreement is made and entered into by and between Hercules Offshore Corporation (HOC), whose place of business is 11011 Richmond Avenue, Suite 500, Houston, TX 77042, and its affiliate, Hercules Marine Services Corporation (HMSC), whose place of business is 906 Marlin, Freeport, TX 77541.

### Services Provided:

1. HOC agrees to provide accounting, administration and management services to HMSC to enable HMSC to run its business.
2. HOC agrees to provide employees to HMSC and to cover those employees in certain of its benefit plans.
3. HMSC agrees to allow HOC to use approximately one-half of its yard and office facilities located in Freeport, Texas as HOC's shorebase.

### Payment:

1. HMSC agrees to pay HOC monthly an amount equal to HOC's total monthly general and administrative expenses divided by one plus the total number of drilling and workover rigs operated by HOC for the accounting, administrative and management services provided to HMSC.
2. HMSC agrees to reimburse HOC monthly for the actual payroll and benefit cost for those employees working on behalf of HMSC.
3. HOC agrees to pay HMSC a monthly rental of \$5,000 for the use of HMSC's facilities in Freeport, Texas.

### Term:

The term of this agreement shall be for one year and is renewable in one year increments on October 1 of each year.

The above terms and conditions have been agreed upon.

Hercules Offshore Corporation

By: *Thomas J. Leonard*  
Title: President  
Date: October 1, 1995

Hercules Marine Services Corporation

By: *Thomas E. Hill*  
Title: Vice President, Operations  
Date: October 1, 1995

cc: R. Millis, R. Ariffin, C. Liow

PD 000258

11011 Richmond Avenue, Suite 500  
Houston, Texas 77042-4773  
713-260-6300  
Fax 713-789-4063



## Parker USA Drilling Company

A PARKER DRILLING COMPANY

[www.parkerdrilling.com](http://www.parkerdrilling.com)  
Offices Worldwide

October 22, 1999

Bryan A. Domning  
Griggs & Harrison, P.C.  
1301 McKinney  
Suite 3200  
Houston, TX 77010-3033

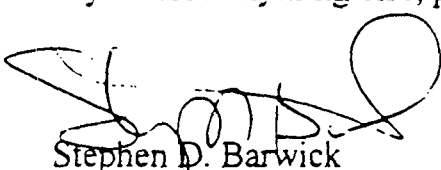
Re: HMSC

Dear Bryan;

Enclosed, please find 1999 Tax Statements for Hercules Real Estate Corp, which was changed to Hercules Marine Services Corp., for the property located on Marlin Street, Freeport, Texas. As I understand it, the property has been sold.

Also, please find a check payable to Janet Casciato Northrup, Trustee, from Arthur Andersen as part of a settlement on payments made 90 days to bankruptcy filing.

If you need anything else, please let me know.



Stephen D. Barwick  
Corporate Controller

Enclosures:



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*Strength through experience. equipment. know-how*

11011 Richmond Ave., Suite 500  
Houston, Texas 77042

Office: (713) 260-6300  
Fax: (713) 789-4063

January 12, 1999

Law Office of Janet Casciato Northrup  
4615 Southwest Freeway  
Suite 410  
Houston, TX 77027

Re: Case No. 98-34630; In re the estate of Hercules Marine Services Corporation; In the United States Bankruptcy Court for the Southern District of Texas, Houston Division.

Gentlemen:

In response to your request to provide documentation for the payments made from Hercules Marine Services Corporation (HMSC) to Hercules Offshore Corporation (HOC), within 90 days prior to the filing of the bankruptcy case, please see the attached letter dated December 30, 1997.

This letter amends the initial agreement between HMSC and HOC by allowing, in addition to the payment by HOC to HMSC of \$5,000.00 for yard rental, a fee of \$2,000.00 for HOC to provide HMSC administrative support.

The payments to HOC were as follows:

2/18	\$4,000	for Jan & Feb 1998 admin support
3/9	2,000	for Mar 1998 admin support
3/24	5,000	for a refund of the yard rent paid to HMSC for Mar 1998.

Within the 90 days before HMSC's bankruptcy, HOC transferred substantial funds into HMSC's account to enable HMSC to pay its debts. HOC has filed a proof of claim in the amount of \$230,000 for all advances it made to HMSC in 1998 for which it was not repaid.

PD 000260

Law Office of Janet Casciato Northrup  
January 12, 1999  
Page 2

Many of these advances from HOC to HMSC were made after the payments you questioned, include the following:

3/2	\$108,450
3/9	5,000
4/1	89,559
4/22	1,125
4/30	2,500
4/30	60

for a total of:

---

\$206,694

We have previously turned over to you all of the HMSC records which would confirm these facts. If I can be of further assistance, please let me know.

Very truly yours,

Stephen D. Barwick  
Corporate Controller

Attachment:

cc: Stephen A. Roberts – Griggs & Harrison  
Bryan Domning – Griggs & Harrison



**HERCULES OFFSHORE CORPORATION**  
**\$30,000,000 Senior Secured Notes Due 2003**

**Private Placement**  
**Offering Memorandum**

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**Chase Securities Inc.**  
**October 1996**

PD 000262

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## Notice from the Placement Agent

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09/30/2010

This Preliminary Private Placement Memorandum (the "Memorandum") is not to be given to any person other than the person whose name appears below and is not to be reproduced in any manner whatsoever. Any further distribution or reproduction of this Memorandum in whole or in part, or the divulgence of any of its contents by an offeree, is unauthorized. Failure to comply with this directive can result in a violation of the Securities Act of 1933, as amended (the "Act").

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Name

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Copy Number

If the above name does not appear in red, there is a presumption that this Memorandum has been improperly reproduced and circulated, in which case Chase Securities Inc. ("CSI") and Hercules Offshore Corporation ("Hercules" or the "Company") disclaim any responsibility for its contents and use.

CSI has been retained by Hercules to assist in arranging the private placement of securities consisting of \$30,000,000 of Senior Secured Notes due 2003 (the "Securities"). The Company has requested that CSI distribute this Memorandum to potential investors in the Securities. This Memorandum has been prepared solely for, and should be used only in connection with, potential investors' consideration of an investment in the Securities.

All information included in this Memorandum has been supplied by the Company and has not been independently verified by CSI. No representations or warranties, expressed or implied, are made with respect to the completeness or accuracy of this Memorandum or as to any other matter concerning it or the statements made herein, including any estimates or projections with respect to future financing objectives and the availability of funds (or the validity, completeness or adequate disclosure of assumptions underlying any estimates, forecasts or projections contained herein). There is no guarantee that any of these projections will be attained. Actual results will vary from the projections and such variations may be material. Any representations or warranties concerning the Company will be made in a Securities Purchase Agreement. No person has been authorized to make any representations concerning the Company or the Securities, and if given or made, such representation should not be considered as authorized. CSI does not undertake to review the financial condition or affairs of the Company or its subsidiaries or affiliates or to advise any potential investor in the Securities of any information in CSI's possession or coming to CSI's attention. This Memorandum is not intended to provide the sole basis of an evaluation by potential investors of an investment in the Securities and should not be considered a recommendation by CSI that any recipient of this Memorandum participate in the financing or that the Securities are a suitable investment for such recipient. Each potential investor must rely on its own evaluation of the proposed investment and should conduct such investigations as it deems necessary to verify the information contained in this Memorandum and to determine its interest in investing in the Securities.

This Memorandum does not purport to be all inclusive or contain all the information which a prospective purchaser may require. The Company will make available to qualified investors, who have reviewed this Memorandum and wish to consider further an investment in the Securities, the opportunity to ask questions of, and receive answers from, the Company concerning the offering of the Securities and to obtain additional relevant information which the Company possesses or can acquire without unreasonable effort or expense.

The Securities are being offered through CSI when, as and if issued, subject to prior sale or withdrawal, cancellation or modification of the offer without notice. No Securities may be sold without delivery of this Memorandum.

This Memorandum contains summaries, believed by the Company to be accurate, or certain terms of certain documents, but reference is made to the actual documents, copies of which are available at the offices of the Company for more complete information. All such summaries are qualified in their entirety by the reference.

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Potential investors in the Securities are not to construe the contents of this Memorandum or any prior or subsequent communications from the Company, CSI or any of their officers, employees or agents as investment, accounting, legal or tax advice. Prior to investing in the Securities, a potential investor should consult with its attorney and its investment, accounting, regulatory and tax advisors to determine the consequences of such an investment and arrive at an independent evaluation thereof.

Neither the Company nor CSI makes any representation as to the ability of a particular investor to purchase the Securities under applicable legal investment restrictions. All investors whose investment authority is subject to legal restrictions should consult their legal advisors to determine whether and to what extent the Securities would constitute legal investments for them.

The Chase Manhattan Bank ("CMB"), an affiliate of CSI, may currently and from time to time be a lender to the Company or its affiliates, or may otherwise extend credit to it or them and may require or receive repayment of credit without notifying investors or potential investors in this offering. In addition, CMB may possess or come to possess public or confidential information concerning the Company or such affiliates without providing such information to such investors or prospective investors. Similarly, Texas Commerce Bank, N.A. ("TCB"), an affiliate of CSI and CMB, may currently and from time to time be a lender to the Company or its affiliates, or may otherwise extend credit to it or them and may require or receive repayment of credit without notifying investors or potential investors in this offering. In addition, TCB may possess or come to possess public or confidential information concerning the Company or such affiliates without providing such information to such investors or prospective investors.

The information contained herein is as of the date hereof and is subject to change, completion or amendment without notice. Neither the delivery of this Memorandum at any time nor any sale made pursuant hereto shall imply that information contained herein is correct as of any time subsequent to the month of such information.

This Memorandum and its exhibits may not be furnished to any other person without the expressed written consent of CSI, nor may this Memorandum be used for any other purpose than review of this investment.

Your acceptance of this Memorandum constitutes your agreement to the foregoing.

For further information, please contact one of the following CSI professionals:

Terry Martin  
Managing Director  
(212) 270-1314

Todd Vannucci  
Associate  
(212) 270-4966

Bowen Diehl  
Associate  
(212) 270-1620

THIS OFFERING MEMORANDUM HAS NOT BEEN FILED WITH OR REVIEWED BY, AND THE INTERESTS HAVE NOT BEEN REGISTERED WITH, THE SECURITIES AND EXCHANGE COMMISSION ("SEC") OR ANY STATE SECURITIES COMMISSION OR ADMINISTRATOR. NEITHER THE SEC NOR ANY STATE SECURITIES LAW ADMINISTRATOR HAS PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

THE OFFEREE, BY ACCEPTING DELIVERY OF THIS CONFIDENTIAL MEMORANDUM, AGREES TO RETURN IT AND ALL ENCLOSED DOCUMENTS TO THE COMPANY OR CSI IF THE OFFEREE DOES NOT UNDERTAKE TO PURCHASE ANY OF THE INTERESTS OFFERED HEREBY. ANY REPRODUCTION OR DISTRIBUTION OF THIS CONFIDENTIAL MEMORANDUM, IN WHOLE OR IN PART, OR THE DIVULGENCE OF ANY OF ITS CONTENTS, WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMPANY, IS PROHIBITED, AND MAY PLACE SUCH OFFEREE AND THE COMPANY IN VIOLATION OF THE TEXAS SECURITIES ACT AND OTHER STATE SECURITIES ACTS.

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## I. Executive Summary

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### A. Introduction

Hercules Offshore Corporation ("Hercules" or the "Company") is a leading provider of drilling and workover services to oil and gas exploration sites and production wells located in the Gulf of Mexico (the "Gulf"). Hercules has concentrated its jackup fleet in shallow water depths of less than 250 feet and, combined with its platform rig capabilities, is a principal integrated provider in this segment offering both drilling and workover services. This creates a marketing advantage, since the Company's sales staff can serve a variety of customer needs and equipment requirements by dealing with a single manager at each existing or prospective customer. Workover, which is performed on producing wells, provides a steady stream of opportunities to maintain rig utilization given that producing wells continually require routine maintenance and require significant maintenance and refurbishing at least every five years. In periods of increased drilling and exploration activity, rigs are deployed on drilling engagements which generally demand higher dayrates than workover engagements. Hercules' revenues represented by drilling engagements and workover engagements during the year ended December 31, 1995 were 45% and 55%, respectively, and the twelve month period ended June 30, 1996 were 47% and 53%, respectively.

Hercules is recognized by oil and gas exploration and production companies ("Operators") in the Gulf for its experienced personnel and crews, technical capabilities, safety record, the excellent condition of its rigs and equipment and the adaptability of its equipment and personnel to both drilling and workover situations. The Company provides its Gulf customers with rigs and fully staffed crews under contracts that specify the procedures and tasks to be performed and the number of wells related thereto. The Company's customers are the major and independent producers operating in the Gulf, including Chevron, Texaco, Phillips Petroleum, Pennzoil and Stone Petroleum. Many of Hercules' customers are Operators that have had a long term relationship with Hercules and have utilized both platform and jackup rigs for workover as well as drilling activities. Although Hercules has developed a well defined niche in the Gulf and believes the Gulf will continue to be the source of the vast majority of its revenue and cash flow in the future, the Company recently negotiated its first international agreement and may expand international activities in the future, particularly if additional rigs are acquired.

Of the 11 rigs presently comprising the Hercules fleet, eight are capable of performing both workover and drilling activities<sup>(1)</sup>. Four of the rigs are self-elevating platform units of which three are capable of drilling to depths of 12,000 feet, while one unit is primarily a workover rig with shallow depth drilling capability. Seven of the rigs are jackup units with maximum water depths ranging from 85 feet to 215 feet, of which five of the jackups are equipped and staffed for both drilling and workover, with two units dedicated solely to workover activities. Hercules owns 9 of the rigs in its fleet and leases 2 rigs under bareboat charters.

Over the last year, Hercules' operating performance improved as a result of higher utilization of its fleet at better dayrates, producing increased revenues and cash flow. In the twelve

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<sup>(1)</sup> At the time of preparation of the Private Placement Memorandum (the "Memorandum"), Hercules operated 11 rigs. Hercules 12, a 200 foot jackup capable of providing workover services, was operated under a bareboat charter from Cliffs Drilling Company, scheduled to expire in March 1998. Under a cancellation feature of the bareboat charter, Hercules returned the rig to Cliffs in September 1996. Accordingly, Hercules 12 is included in the Company's projected financial statements through September 1996. Subsequent to the return of Hercules 12 to Cliffs, Hercules operates a fleet of 10 rigs.

months ended June 30, 1996, revenues were \$37.8 million, up from \$22.4 million during the same period a year ago, representing an increase of 68%. Pro forma EBITDA was \$9.7 million compared to \$1.8 million during the year ago period. Management estimates that the Company will achieve total 1996 revenues of \$46.6 million and EBITDA of \$12.4 million.

On December 31, 1993, the shareholders of the Company ("Former Shareholders") entered into an agreement with Trenergy (Malaysia) Berhad ("TMB") to sell the shares of Hercules to TMB under terms and conditions defined under the Trenergy Sale of Shares Agreement ("Trenergy Sales Agreement"). TMB is the holding company for a group of corporations with varied interests and is listed on the Kuala Lumpur Stock Exchange. The transaction was subject to significant Malaysian regulatory approval, including the Securities Commission and the Kuala Lumpur Stock Exchange. The sale was completed on April 30, 1996. Under the terms of the Trenergy Sales Agreement, Hercules was prohibited during the period from December 31, 1993 to the closing on April 30, 1996 from incurring debt except for shareholder advances and receivables financing. During the period it was restricted from raising additional financing, Hercules used internally generated funds and advances from shareholders to purchase rigs and to upgrade and refurbish its rigs. In the absence of the restrictions imposed by the Trenergy Sales Agreement, Hercules would have obtained outside financing to fund these activities.

Hercules seeks investors to fund \$30 million through a private placement of Senior Secured Notes (the "Notes") due 2003 (the "Financing"). The Notes will be secured by substantially all assets of the Company (excluding accounts receivable pledged as security for the Company's Revolving Credit Facility), including one or more first priority mortgages on Hercules' fleet of owned rigs (except for Hercules 12 and Hercules 25 which are operated by the Company under bareboat charters (the "Chartered Rigs")), which have a current appraised value of \$67 million.<sup>(1)</sup> In addition, investors will receive a pledge of the capital stock of the Company and the Notes will be unconditionally guaranteed by TMB. Proceeds from the issuance of the Notes will be used to repay interim seller financing used for the purchase of two rigs, repay Former Shareholders' advances used to purchase, upgrade and/or refurbish rigs, purchase on-deck equipment to replace the currently leased on-deck equipment, fund an escrow account (the "Restricted Cash Account") to be used for future dividend payments to TMB, and repay certain vendor payables.

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<sup>(1)</sup> Appraisal performed by Bassoe Offshore Consultants, dated August 9, 1996. As a condition to closing the transaction, Hercules will obtain a second appraisal to support the valuation of its rig fleet.

**B. Business Overview**

Hercules is a leading integrated provider of drilling and workover services to oil and gas exploration and production sites in the Gulf. The Company's corporate headquarters are located in Houston, Texas and a shore base and field service office are located in Freeport, Texas. Hercules provides a wide range of workover services essential to maintaining the condition and producing ability of existing wells, including various well servicing procedures, well completion, maintenance of production tubing and plugging and abandonment. In the drilling segment, Hercules' jackups focus on exploration sites located in maximum water depths ranging from 85 feet to 215 feet, with two jackups uniquely capable of providing services at water depths as shallow as 8 feet. Hercules' operating crews and personnel provide these services using its present fleet of seven jackup rigs and four platform rigs. The jackup rigs provide services in shallow waters (generally considered to be depths of less than 250 feet), while the platform rigs are capable of providing services in both shallow and deeper waters. Three of the platform rigs and five of the jackup rigs (including Hercules 14) are equipped to provide both drilling and workover services, with the remaining three rigs equipped to provide workover services only.

The Company has historically generated the majority of its revenues from workover services. Demand for workover services is less sensitive to oil and gas prices than is demand for drilling services. Workover services are essentially maintenance services performed on existing, producing wells that enhance the productive capacity of the wells. The incremental value provided by these services comes in the form of extended well life and increased cash flow from the well. There is demand for workover services in environments of both increasing and decreasing oil and gas prices due to the immediate impact these services have on cash flow. The demand for drilling services is generally directly impacted by expected oil and gas prices, with drilling activity increasing during periods of improving prices. As an integrated provider of services, Hercules has the flexibility to adapt to the prevailing market conditions in each segment while maintaining high utilization of its rigs. Historical revenues by segment and overall utilization for Hercules' fleet of rigs are as follows:

<b>Table I-1</b> <b>Hercules Offshore Corporation</b> <b>Historical Revenue Breakdown</b>					
	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>LTM</u> <u>6/30/95</u>	<u>LTM</u> <u>6/30/96</u>
<b>Revenue</b>					
Drilling	\$3,883	\$5,914	\$13,076	\$10,100	\$17,815
Workover	<u>8,134</u>	<u>19,939</u>	<u>15,792</u>	<u>12,364</u>	<u>20,012</u>
<b>Total</b>	<u>\$12,017</u>	<u>\$25,853</u>	<u>\$28,868</u>	<u>\$22,464</u>	<u>\$37,827</u>
<b>% of Total</b>					
Drilling	32.3%	22.9%	45.3%	45.0%	47.1%
Workover	<u>67.7%</u>	<u>77.1%</u>	<u>54.7%</u>	<u>55.0%</u>	<u>52.9%</u>
<b>Total</b>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
<b>Rig Utilization</b>	<u>94.6%</u>	<u>72.2%</u>	<u>70.6%</u>	<u>64.0%</u>	<u>79.6%</u>

### *Platform Rigs*

The four Hercules platforms are self-elevating rigs that are transported by vessel in modules for placement by crane upon an Operator's existing offshore fixed platform. The size of the platform rig utilized by the Operator is dependent upon the load bearing capability of the Operator's offshore platform. Three of the Hercules platform rigs are heavy duty, 1000 horsepower, all electric ("SCR") units (Hercules 1, 2 and 3) that represent the state of the art in the industry today, with capabilities of workover and drilling to depths of up to 12,000 feet. The fourth unit (Hercules 10) is a 650 horsepower platform rig that is dedicated solely to workover activity and very light and shallow depth drilling. It is also self-elevating and is transported to and erected upon the Operator's offshore platform in the same manner as Hercules 1, 2 and 3.

The Company owns all four of its platform rigs. Under the terms of a two year Equipment Lease Agreement, Hercules 1 is scheduled to be transported to Brazil shortly for operation by Andrade Gutierrez Perfuracao ("AGP"), a Brazilian offshore drilling contractor, and its Cayman Islands' subsidiary, Drilltech, Inc. ("Drilltech"), under a contract with Petrobras, the Brazilian state owned oil company, that may be extended at AGP's option for an additional two years. Hercules will provide, upon request, specialized personnel, such as toolpushers, crane operators, or electricians, at specified daily rates as provided in the Equipment Lease Agreement.

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At present, there are 40 platform rigs in the Gulf that are competitive with Rigs 1, 2, 3 and 10. Thirty-four of these units are under contract, representing 85% utilization, and Hercules management believes that demand in this market will increase as workover activity is expanding concurrently with additional drilling commitments by Operators in the Gulf.

### *Jackup Rigs*

Jackup rigs are utilized by Operators when the load bearing capability of the offshore fixed platforms cannot withstand the weight of a platform rig, such as Hercules 1, 2 or 3, or when the horsepower and other requirements exceed the specifications of a platform rig. A jackup rig is a vessel that is towed or self-propelled to the Operator's offshore platform where the jackup legs are then lowered to the ocean floor creating a standing drilling or workover unit that is positioned next to the Operator's fixed platform.

Hercules 11 and 12 perform workover services only and operate in water depths of up to 200 feet. These rigs were once owned, as a result of loan foreclosures, by the U.S. Maritime Administration ("MARAD") and are restricted by MARAD from engaging in drilling activities in U.S. waters. Hercules acquired Hercules 11 from Cliffs Drilling Company ("Cliffs") in June 1996 upon completion of a two year bareboat charter (See Source and Uses of Financing, Page 6). See Appendix E for an article detailing the innovations created by Hercules management upon the initial bareboating of the rig from Cliffs in 1994. For the current year to date, Hercules 11 has operated at a utilization rate of 94% and presently has a backlog of customers for future contracting of the rig. Hercules 12 is operated under a bareboat charter agreement with Cliffs. The rig was returned to Cliffs in September 1996. It has been under contract to Chevron since the commencement of the bareboat charter in March 1996.

Hercules 14 and 15 are unique jackups because of their ability to operate in water depths as shallow as eight feet. There is only one additional jackup in the Gulf, operated by Broughton Offshore, capable of operating in eight feet of water. This rig has also achieved an outstanding record of utilization and above average dayrates for a period of several years because of its commanding competitive position. Hercules 14 was acquired in July 1996 (See Source and Uses of Financing, page 6) and is undergoing extensive refurbishment with anticipated entry in

the Gulf market during the first quarter of 1997. Hercules 15 was purchased from Trinidadian investors in 1994 and brought to the Gulf for substantial refurbishment and redesign. The rig has performed exceptionally since its entry into the Gulf market in 1995 and has had a utilization rate of approximately 98% during 1996.

Hercules 20, 21 and 25 are drilling and workover jackups that operate in maximum water depths up to 110 feet, 120 feet and 215 feet, respectively. For the twelve month period ended June 30, 1996, the drilling and workover revenues generated by these rigs were as follows:

<u>Rig</u>	<u>% of Revenues</u>	
	<u>Drilling</u>	<u>Workover</u>
Hercules 20	74.4%	25.6%
Hercules 21	1.0%	99.0%
Hercules 25	100%	0.0%

Hercules 20 and 21 are owned by the Company. Hercules 25 is owned by Hercules Rig Corp. ("HRC"), an affiliated entity, and is leased to the Company on a month-to-month basis. The refurbishment of Hercules 21 that was being performed at a shipyard in Pascagoula, MS, (See Source and Uses of Financing, page 6) is complete, and the rig is currently working on a long term contract for Chevron. The rig had also worked continuously for Chevron from August 1993, until entry into the shipyard in February 1996.

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### III. Business Description

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#### A. History

The Company was incorporated in the State of Texas on June 25, 1993 to acquire and take-over the assets and business of a company with the same name (the "Predecessor Company") which was incorporated in the State of Delaware. The name Hercules Offshore Corporation was chosen for the new Texas company to reflect the continuity of the business from the Predecessor Company, which was subsequently put into voluntary liquidation. The transfer of the assets of the Predecessor Company to the Company was effected on September 1, 1993.

The Predecessor Company was first incorporated as Hercules Offshore Drilling Corporation ("HOD") in the State of Delaware in 1981. When it first commenced business in the 1980's, HOD was engaged in the workover, completion and shallow water drilling service in the Gulf of Mexico. HOD's first shareholders were a group which included General Electric Company and Memorial Drive Trust as the largest stockholders. HOD changed its name to Hercules Offshore Corporation in 1988 when Elders IXL made a substantial investment in the company.

By the time Hercules was incorporated in the State of Texas, it had become one of the leading marine contractors in the country specializing in workover, completion and shallow water drilling services. The success was attributable to a team of dedicated staff and rig crew with years of combined experience in restoring and improving offshore well production, providing completion and workover services as well as side-tracking and drilling. Moreover, the financial stability provided by the Predecessor Company's major shareholders, primarily Elders IXL and General Electric Corporation, provided the company with a base to build a good reputation and recognizable name in the industry. This is a very crucial element in attracting and retaining customers as it is a prime concern of offshore operators to ensure that their marine contractors have the financial stability and wherewithal to complete their multi-million dollar oil and gas projects

On December 31, 1993, Salehuddin Bin Hashim ("Hashim") and Zaharuddin Bin Alias ("Alias") entered into an agreement with TMB to sell the shares of Hercules to TMB under the terms and conditions defined under the Trenergy Sales Agreement. The transaction was subject to significant Malaysian regulatory approval, including the Securities Commission and the Kuala Lumpur Stock Exchange. The sale was completed on April 30, 1996 for stock and cash consideration, with Hashim and Alias receiving common stock of TMB equal to approximately 31% of total shares outstanding. Mr. Hashim has since been elected Executive Chairman of TMB and Mr. Alias has been elected Deputy Chairman. TMB is listed on the Kuala Lumpur Stock Exchange and is the holding company for a group of corporations with varied interests. As of August 1996, the public market valuation of TMB's equity was USD \$154.9 million.<sup>(1)</sup> TMB has publicly expressed an intention to expand into various energy sectors with the goal of becoming a major Asian-based diversified energy company. Under the terms of the Trenergy Sales Agreement, Hercules was prohibited during the period from December 31, 1993 to April 30, 1996 from incurring debt except for shareholder advances and receivables financing. During this period, Hercules relied on internally generated cash flow and advances from shareholders to purchase and refurbish rigs, such as Hercules 15. In the absence of the financing restrictions imposed by the

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<sup>(1)</sup> Valuation as of August 2, 1996 per Bloomberg Information Services.

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Trenergy Sales Agreement, Hercules would have funded the purchase and refurbishment of Hercules 15 and other rigs with outside borrowings.

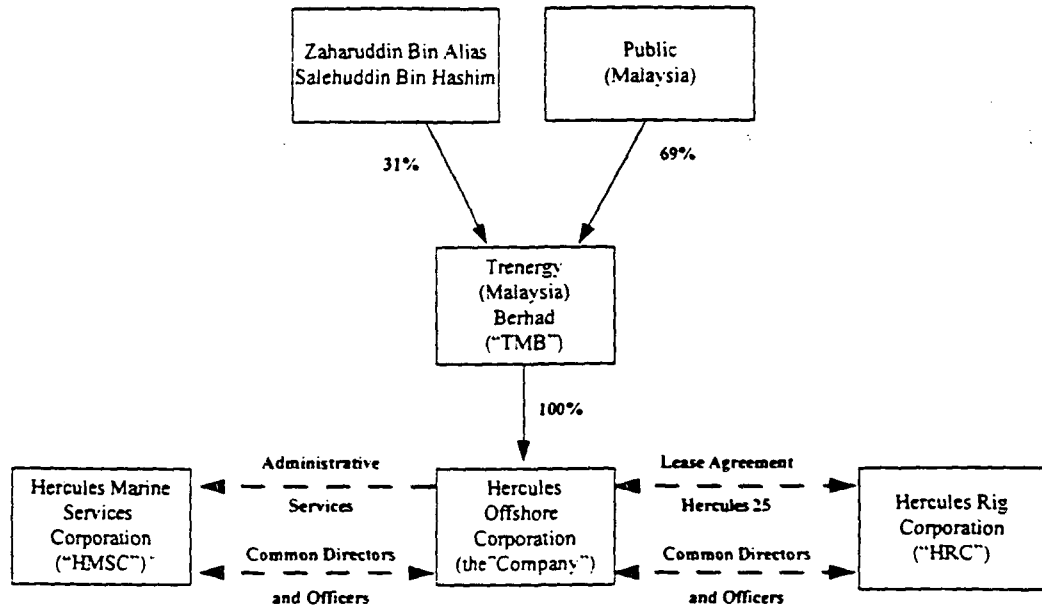
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## B. Corporate Organization

Hercules' ownership structure is as follows:



Hercules provides management and administrative services to Hercules Marine Services Corporation ("HMSC"), an affiliated entity, that operates a marine fabricating and barge repair and cleaning business. Hercules and HMSC have common directors and officers. Total billings to HMSC were \$343,670 in 1995 and accounts receivable from HMSC were \$798,448 at June 30, 1996.

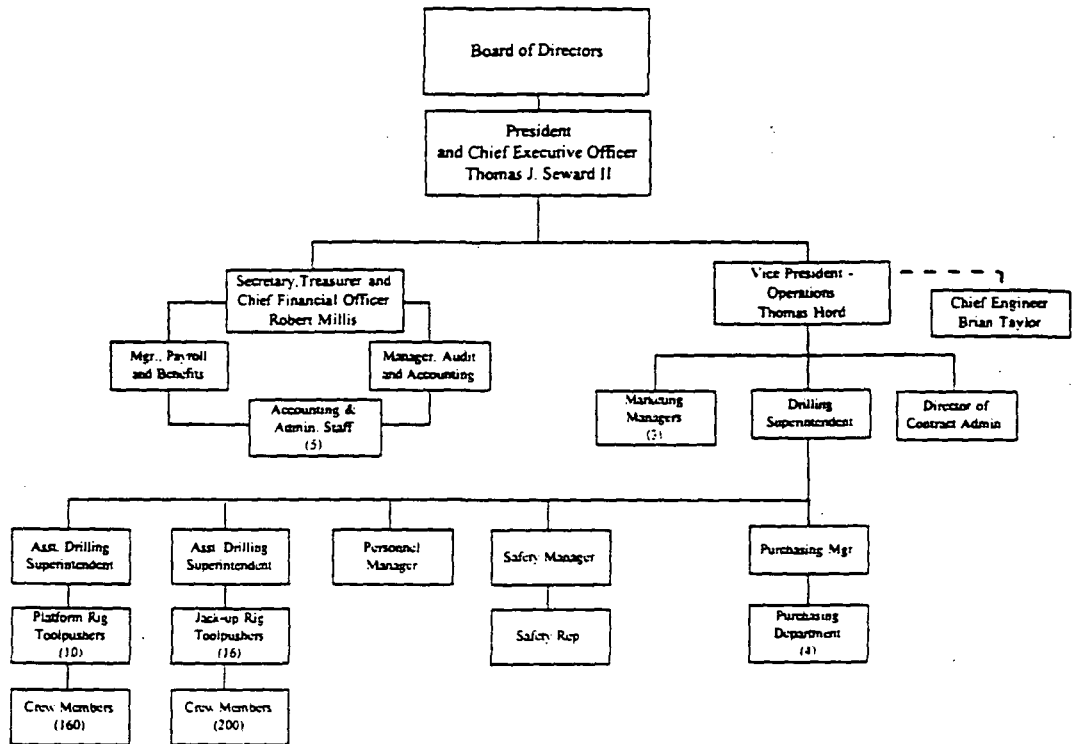
The Company leases Hercules 25 under a bareboat charter on a month-to-month basis from HRC. Messrs. Seward, Hord and Millis, the three senior officers of the Company, are, respectively, President, Vice President-Operations and Secretary/Treasurer of HRC. Total payments to HRC under the bareboat charter for Hercules 25 amounted to \$912,500 in 1995 and accounts receivable from HRC were \$1.5 million at June 30, 1996.

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The Company's corporate organization is as follows:

### Hercules Offshore Corporation - Organizational Chart



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### C. Business Strategy

Hercules' business strategy is to achieve consistent and controlled growth in revenues and profitability by becoming a leading integrated provider of drilling and workover services to all sectors in the Gulf, maintaining and expanding its leading position as a shallow water service provider in the Gulf, and by opportunistically deploying rigs to other markets under favorable long term contracts. Hercules intends to execute this strategy by:

- Maintaining the flexibility to access either the drilling or workover markets in order to maintain rig utilization at the most attractive dayrates available between the two markets;
- Focusing on providing services to shallow water operators with its fleet of jackup rigs while also pursuing opportunities for its platform rigs in both shallow and deep waters;
- Evaluating opportunities for favorable long term contracts with Operators in new markets; such as the lease agreement for Hercules 1 recently entered with AGP, a Brazilian offshore drilling contractor. The lease has a minimum term of two years and is extendible at the option of AGP for another two years.
- Opportunistically expanding the size of the fleet by acquiring additional rigs on a bareboat basis or at favorable purchase prices;
- Recruiting, training, developing and retaining operating personnel and crews capable of providing services in both the drilling and workover markets;
- Continuing its rig maintenance, refurbishment and upgrading program in order to provide customers state of the art rigs with outstanding equipment and technical capabilities; and
- Continuing programs that will reward crews as well as supervisors for outstanding safety performance while also expanding safety awareness through on the job and professional training.

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## D. Operations

Hercules provides oil and gas drilling and workover services on a contract basis to Operators of producing wells and exploration and development sites. Hercules' operating crews and personnel provide these services using its present fleet of seven jackup rigs and four platform rigs.<sup>(1)</sup> Eight of the eleven rigs presently operated by Hercules have the necessary equipment to provide both drilling and workover services, giving the Company a competitive advantage in instances where both services are needed at one location. Hercules focuses on providing services to Operators in the shallow waters (water less than 250' feet deep) of the Gulf. However, other markets may be entered in the future, particularly if the Company increases the number of rigs in its fleet. For example, Hercules 1 will work in Brazil under an equipment lease agreement for a minimum of two years. All operating costs, including repairs, capital expenditures, insurance and taxes are to be borne by the lessee. And through the use of its platform rigs, Hercules also performs workover services at production sites located in deeper waters.

### *Drilling Services*

Three of Hercules' platform rigs and five of its jackup rigs are equipped to perform drilling services. The Company competes in the Gulf waters ranging in depth from 8 feet to 215 feet. Hercules 14 and Hercules 15 are two of only three rigs in this market with the capability of operating in only eight feet of water. The rigs include both independent leg and mat designs, as well as both slot and cantilever configurations. The jackup rigs are constrained by the length of their legs as to the depth of water in which they can operate. The platform rigs can be used in deeper waters and are usually constrained, irrespective of water depth, only by the load bearing capabilities of an Operator's fixed platform or by the horsepower required for the services to be performed.

### *Workover Services*

Hercules' crews are trained and its rigs are equipped to provide a wide variety of workover services, including various well servicing procedures, maintenance of production tubing, completion and plugging and abandonment. Workover services are essential maintenance services required to maintain the condition and producing ability of existing, cash generating wells. The incremental value added by these services comes in the form of extended well life and immediate increased cash flow from the well. Workover procedures are nondiscretionary and are less susceptible to changes in oil and gas prices as the incremental value added by these services in terms of cash flow from producing wells justifies the upfront expenditures from the Operators. This segment serves as a natural hedge against the cyclical nature of drilling, creating a more stable cash flow stream for the Company.

- "Well servicing" involves maintenance that does not require pulling the production tubing. Production tubing can be cleaned by running a smaller string of pipe or wireline tools down inside the production tubing. Then water, or other fluid, can be pumped through the smaller string and circulated through the well to remove sand, hydrocarbon deposits or other foreign material blocking production. Other examples of well servicing include reworking the well into another production zone, repairing well leaks and replacing damaged downhole equipment and fittings.

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<sup>(1)</sup> Includes Hercules 14, an 85' jackup, which was purchased in July 1996. Upon completion of refurbishment in the first quarter of 1997, Hercules 14 will be capable of providing both drilling and workover services.

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- "Workover" involves major well maintenance requiring removal of the production tubing. These services include "sidetracking," or redirecting, the well into other production zones, and replacing worn or outdated downhole production equipment or tubing.
- "Completion services" are required prior to commencing production from a well once the targeted production zone has been reached by the drill string. To perform these services, Operators often utilize workover rigs instead of considerably more expensive drilling rigs. Typical completion services include perforating the shell casing, installing downhole production equipment, placing a gravel barrier between the producing zone and the production string to reduce sand accumulation in the well bore and inserting cement to isolate production zones.
- "Plugging and abandonment services" are required when a well ceases production and involves measures to assure that the abandoned well casing has no leakage. Upon production completion, the well bore is filled with cement and the surface production equipment and wellhead below the mud line is removed. These activities, which Hercules performs primarily in shallow water and other marine environments, must be effected with minimal damage to the coastal and sea floor ecosystems. Demand for these services has increased as federal and state laws have been enacted to protect the ecology and marine life by mandating the plugging and abandonment of inactive wells.

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#### *Platform Rigs*

Hercules' platform rigs are capable of workover operations on platforms located at water depths of up to 1,500 feet, and drilling operations of up to 12,000 feet. Platform rigs have a modular design, permitting transport in sections of approximately ten tons each by standard workboats. While the Hercules' rigs are designed for offshore application only, the rigs are not vessels, since they are set in place upon existing offshore platforms. The cost of transporting a workover rig is paid for by the Operator, customarily on a lump sum basis, as part of the contract. Each rig contains its own crew quarters and drill string (drill pipe). The quarters' module provides living accommodations for twenty-four people and includes a galley and an office. Crews work on a rig on the basis of seven days on and seven days off with transportation to and from the rig provided by helicopters or boats depending upon location and weather.

Hercules' platform rigs are lightweight, highly mobile, space efficient units. The latter characteristic is of particular importance, since rig space is at a premium, and there are often many wells located on a single offshore platform. In fact, Operators attempt to stage their workover activities so that a single workover rig can consecutively move from well to well on one platform. Workover rigs can spend several months on one platform moving from well to well.

The key aspects of the assembly and operation of Hercules' platform rigs include:

- A configuration which occupies the least possible amount of space on offshore platforms where space is both limited and expensive.
- A modular form which facilitates rapid low cost dismantling, transport from one platform to another and rig-up at the new location.
- Lightweight componentizing to permit hoisting by smaller cranes prevalent on offshore well platforms and support vessels. By contrast, equipment of older, bulkier design

frequently requires the services of a marine crane barge to move from one platform to another at a daily cost of \$75,000 to \$150,000.

- The use of standard, off-the-shelf components to the maximum extent practicable to permit simple, low cost assembly by existing fabrication facilities.
- State-of-the-art technical innovations such as SCR (silicon controlled rectifier) converters, which provide finer control of power output to the different types of rig machinery for greater operating efficiency and lower costs.

#### *Jackup Rigs*

Jackup rigs are self-elevating and self-contained vessels which can efficiently assist in offshore drilling and well servicing tasks. Hercules has installed workover equipment on six of its rigs and drilling equipment on four of its rigs. Upon completion of refurbishment in 1997, Hercules 14 will also be equipped with both drilling and workover equipment. The rigs are deployed by positioning the vessel alongside the platform, satellite well, or drilling location and elevating the vessel hull on legs attached to a lower hull mat or spud cans which rests on the seabed. Once elevated, the workover rig is cantilevered over the well slot or drilling area or skidded on to the production platform to perform the required activities. After they are secured over the desired work location, the rigs provide a fully equipped platform for drilling, setting and dismantling production facilities and handling a variety of workover tasks. Jackups can operate at different water depths, depending on the length of their legs. The Company's jackup rigs have maximum water depths ranging from 85' to 215', enabling them to operate where the majority of the offshore structures in the Gulf are currently located. Crews customarily work seven days on and seven days off, although from time to time contracts call for fourteen days on and fourteen days off.

#### *Contract Terms*

Hercules has entered into 10 master service agreements with major and independent oil and gas companies operating in the Gulf. Master service agreements specify the general contractual terms governing engagements between Hercules and a customer. Hercules is engaged to perform specific services on a contract-by-contract basis. Individual contracts are generally referred to as charters. The terms of each individual contract, including dayrates and length of service, are negotiated on a case-by-case basis. Contracts are generally obtained through competitive bidding. Substantially all of the Company's charters in the Gulf are short-term contracts (1 to 3 months) or spot contracts (less than 30 days) and all are cancelable upon short notice. Because of renewals and cancellations, the stated duration of charters frequently has little relationship to the actual time rigs are chartered to a particular customer.

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## IV. Management and Employees

### A. Management

The directors, executive officers and key employees of the Company, their ages and present positions held are as follows:

Table IV-1 Hercules Offshore Corporation Senior Management and Directors		
Name	Age	Title
Bruce Thompson	43	Chairman of the Board and Director
Thomas J. Seward II	65	President and Chief Executive Officer and Director
Thomas E. Hord	44	Vice President - Operations and Director
Kenneth M. Tischler	68	Director
Salehuddin Hashim	45	Director
Razman Ariffin	48	Director
Christian Liow	39	Director
Robert H. Millis	41	Secretary, Treasurer and Chief Financial Officer
Brian Taylor	40	Chief Engineer

Note: Prior to September 1, 1993, all officers, staff and rig personnel were employed by Hercules Offshore Corporation, a Delaware Corporation, that was the predecessor to the Company, Hercules Offshore Corporation, a Texas Corporation.

#### Thomas J. Seward II, *President and Chief Executive Officer*

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Mr. Seward was the founder of the predecessor company of Hercules and Chairman of the Board from inception until 1994. He was responsible for negotiations that led to investments by General Electric Company in 1981 and Elders in 1988 that resulted in these corporations owning 34% and 63%, respectively, of the outstanding common stock. He temporarily served as President and Chief Executive Officer during 1982 and 1984. He became President and Chief Executive Officer of Hercules in August, 1990 and has remained in that capacity since the purchase of the operating assets of the company by Malaysian investors in 1993.

As Partner in Charge of the Corporate Finance Department of Oppenheimer & Co., member firm of the New York Stock Exchange, he arranged the purchase of Storm Drilling Company ("Storm"), an owner and operator of shallow water jackup rigs headquartered in Corpus Christi, Texas. He continuously served thereafter on the Executive Committee of Storm and in an investment banking capacity raised substantial funds over the ensuing eight years to significantly expand Storm internationally. Storm's fleet of drilling rigs increased to include deep water jackups, drill ships, semi-submersibles and over forty supply boats and crew vessels, with operations and drilling contracts in the North Sea, Africa, the Mediterranean, Latin America and the Middle East. In 1978 he negotiated the sale of Storm to ODECO, then the world's largest owner and operator of offshore drilling units. In 1980, Mr. Seward founded the predecessor company of Hercules.

Mr. Seward is a member of the Board of Directors of the International Association of Drilling Contractors (IADC), the worldwide trade association for the drilling industry. He served in the United States Marine Corps, where he attained rank of Major (USMCR), and graduated from Lehigh University, With Honors, with a Bachelor of Science degree in Business Administration, Finance major.



**Thomas E. Hord, Vice President - Operations**

Mr. Hord joined Hercules at the outset of operations and in 1982 and 1983 was responsible for the construction of the three initial 1,000 horsepower rigs and worked closely with the rig fabricator incorporating performance enhancing features in the rig design and operation. He supervised the complete refurbishment of the 650 horsepower rigs acquired by Hercules in 1988 and was instrumental in modifying certain design features to improve operating efficiency. In 1994 he formulated the innovative concept for Hercules 11, the first and only 200-foot jackup workover rig, and supervised the modification of the unit to his design and specification criteria. In 1995 he was responsible for important redesign and reconfiguration modifications on the newly acquired Hercules 15, producing a premier jackup capable of operation in water depths as shallow as eight feet.

With over twenty years of offshore workover and drilling experience, Mr. Hord rose through the ranks to Toolpusher and management positions. Before joining Hercules, he was Rig Superintendent for Pool Corporation, the largest workover contractor in the Gulf of Mexico. Mr. Hord is the senior operations officer of Hercules and has been a member of the Board of Directors and the Executive Committee since the purchase by Malaysian interests in September 1993.

**Robert H. Millis, Secretary, Treasurer and Chief Financial Officer**

Mr. Millis has been a Certified Public Accountant for over 15 years. Since 1981, he has served either as Controller or in an accounting management position for various companies involved in the oil and gas industry. Prior to Hercules he was associated with Parker Gas Company, a natural gas pipeline business, and Houtech Energy, Inc., an offshore drilling and workover contractor. He began his accounting career in the Houston office of Arthur Anderson & Company. He joined Hercules in 1989 as Controller and has been Secretary, Treasurer and Chief Financial Officer since 1990.

Mr. Millis holds a Bachelor Administration degree in Accounting from the University of Mississippi, where he graduated Magna Cum Laude in 1977. He is a member of the American Institute of Certified Public Accountants and the Texas Society of Certified Public Accountants.

**Brian Taylor, Chief Engineer**

Mr. Taylor joined Hercules as Senior Engineer in 1982 and was involved in design and construction of Hercules 1, 2 and 3, refurbishment of Hercules 10 and 11 and provided engineering support for the Hercules fleet since then. Prior to 1982, he worked for Pool Corporation where he was involved in the design and construction of offshore rigs.

Mr. Taylor holds a Bachelor's Degree in Ocean Engineering from Texas A&M University where he graduated in 1978 and has 18 years of experience in design, construction and operation of offshore drilling rigs.

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## B. Board of Directors

Under U.S. shipping and documentation laws, foreign flagged drilling rigs may perform drilling and workover services in United States waters. Under these same laws, however, only U.S. citizens may own U.S. documented vessels, such as Hercules 11, 15 and 20. A corporation is a citizen for purposes of owning a U.S. documented drilling rig if (a) it is incorporated in the United States (Hercules is a Texas Corporation), (b) its president, chief executive officer and chairman of the board of directors are all U.S. citizens and (c) no more than a minority of the number of its directors necessary to constitute a quorum at meetings are non-citizens. As a result, the Company's bylaws provide that a majority of the members necessary to constitute a quorum at meetings of the Board of Directors must at all times be citizens of the United States. Thomas Seward, President and Chief Executive Officer of Hercules, and Bruce Thompson, the Chairman of Hercules' Board of Directors, are both U.S. citizens. Of the remaining board members, two are U.S. citizens and three are Malaysians.

Three of Hercules' owned jackup rigs, Hercules 11, 15 and 20 are documented as vessels of the United States. In addition, Hercules 12 and 25, which are operated by Hercules under bareboat charters, are US documented vessels. The remaining two jackups, Hercules 14 and 21, are documented in Vanuatu and Panama, respectively.

The present Board of Directors are listed under "Management" in Section IIIA above. In addition to Seward and Hord (discussed above), the remainder of the Board is as follows:

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### **Bruce Thompson, *Director and Chairman of the Board***

Mr. Thompson is a U.S. citizen and a Director of Hercules. He is the representative of the 66th District to the California State Assembly and represents the Assembly GOP on a select committee on international trade. He has extensive experience with several entrepreneurial ventures including building a export/import business out of Malaysia.

Mr. Thompson received a degree in Business Administration and Economics from the University of La Verne in 1976.

### **Kenneth M. Tischler, *Director***

Mr. Tischler is a U.S. citizen and a Director of Hercules. He is the founder of a family owned confectionary and advisory firm. He was previously president but has since stepped down and continues with the firm as a consultant. Mr. Tischler has served on advisory councils for Leaf Inc. in Chicago and Annabelle Candy Company in Oakland, California.

Mr. Tischler graduated from L.I.F.E. College Los Angeles, California in 1950 and began working in Sales.

### **Salehuddin Hashim, *Director***

Mr. Hashim is a Director of Hercules as well as Executive Chairman of TMB. He is founder of Turnaround Managers Inc. (M) Sdn Bhd, a Malaysian consulting organization which specializes in turning problematic companies around. Mr. Hashim is a Director of Denko Industrial Corporation Berhad, a publicly listed company on the Kuala Lumpur Stock Exchange. He also serves as Deputy Chairman of MARA Holdings Sdn Bhd, a public sector company established by the Malaysian Government. In addition, he serves on the Boards of several private companies in Malaysia.

A lawyer by training, Mr. Hashim obtained his Bachelor Degree in Law from the University of Malaya in 1976. In 1981, he graduated from Arthur D. Little Management Education Institute in Cambridge, Massachusetts with a Masters Degree in Management.

**Christian Liow, Director**

Mr. Liow has been a Director of Hercules since April 1995. In October 1995, he was appointed Director of TMB. He is currently Senior Vice-President of Turnaround Managers Inc. (M) Sdn Bhd, a consulting firm which provides management and investment services. Prior to this, he was Group Investment Manager for Globe Silk Store, a large Malaysian retail group and Chief Financial Officer of Pangkalen Capital Berhad, a securities brokerage company listed on the Kuala Lumpur Stock Exchange.

Mr. Liow holds a Master of Business Administration degree in Management from Cranfield Institute of Technology, England and is an Associate of the Institute of Chartered Management Accountants and a Fellow of the Chartered Association Certified Accountants, both in the United Kingdom.

**Razman Ariffin, Director**

Mr. Ariffin is a Managing Director of TMB. He also sits on the Board of Directors of Hercules. Previously, Mr. Ariffin was Chief Executive Officer of Malaysia Smelting Corporation Berhad and has held senior executive positions with the Malaysia Mining Corporation Group of Companies. He formerly worked with the Shell Group of Companies and with the Osborne & Chappel Group of Companies in Malaysia. Mr. Ariffin has 25 years of experience in the mining, metallurgical and energy industries.

Mr. Ariffin is a past Chairman of the Malaysian Section of the Institution of Mining and Metallurgy of the UK, and currently sits on the Council of the Institution. Mr. Ariffin is also presently a member of the Council of the Institute of Mineral Engineering, Malaysia.

Mr. Ariffin is a mining engineering graduate of the Imperial College of Science and Technology of the University of London, England. He is also a graduate of the Banff School of Advanced Management in Canada as well as of IMEDE Lausanne in Switzerland.

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HERCULES OFFSHORE CORPORATIONNOTES TO FINANCIAL STATEMENTSNOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Hercules Offshore Corporation (the Company) was formed under the laws of the state of Texas in June 1993 to operate the offshore assets of a predecessor company. Effective September 1, 1993, virtually all operating assets and certain liabilities of the predecessor were purchased by the Company's ultimate parent company, Adway International Limited (Adway), for cash of \$13,780,000. Assets related to offshore rig services were contributed to the Company as an equity contribution and include five platform rigs and one jack-up rig, leasehold interests in two jack-up rigs and all rights and interests in preexisting contracts. The purchase price was allocated to the Company's assets and to the other assets acquired from the predecessor based on the percentage relation of each asset acquired to the total fair market value. The Company commenced operations on September 1, 1993 under the predecessor's name, Hercules Offshore Corporation. On January 11, 1994, Adway dividdened its ownership of the Company to its two individual owners. No additional purchase price allocation was performed as a result of this transfer. On December 31, 1993, the stockholders entered into an agreement with Trenergy (Malaysia) Berhad (Trenergy), a Malaysia public company, to sell their 100% ownership of the Company to Trenergy (Note 11).

The financial statements have been restated to reflect a change in the Company's year end from September 30 to December 31.

Line of business

The Company serves as an independent marine contractor specializing in drilling and workover services for oil and gas wells located in the United States Gulf of Mexico.

Revenue recognition

The Company's rig service contracts are normally completed in one year or less. Revenues are recognized as the related services are performed. Revenues consist primarily of day rates charged for the rigs plus other contract costs for mobilization fees and other rig-related services.

Concentration of credit and major customers

Accounts receivable are due primarily from large oil and gas exploration and production corporations with operations in the United States Gulf of Mexico. Service revenue derived from the three largest oil and gas customers was \$7,716,405, \$2,335,083 and \$1,374,105 or 25%, 8% and 5%, respectively,

for the year ended December 31, 1995, \$7,289,332, \$1,027,318 and \$894,049, or 28%, 4% and 3%, respectively, for the year ended December 31, 1994 and \$3,749,716, \$3,608,736 and \$1,974,807 or 30%, 29% and 16%, respectively, for the period from inception (June 25, 1993) through December 31, 1993.

#### Equipment

Equipment is recorded at historical cost, which includes the allocated purchase price of contributed assets and expenditures for additions and major improvements. Depreciation is calculated using the straight-line method over their estimated useful asset lives, net of estimated salvage values. Expenditures which substantially increase value or extend useful lives are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

#### Income taxes

The Company recognizes income tax expense based on the liability method of accounting for income taxes. The deferred tax asset or liability is recorded based upon temporary differences between the tax basis of assets and liabilities and their carrying values for financial reporting purposes. The primary temporary differences between the tax basis and financial basis of the Company's assets and liabilities relate to the depreciation of equipment. Deferred tax expense is the result of changes in the deferred tax assets and liabilities during the periods presented.

#### Interest

Interest expense included in general and administrative expenses totaled \$904,195, \$189,442 and \$3,608 for the years ended December 31, 1995 and 1994 and the period from inception (June 25, 1993) to December 31, 1993, respectively. Interest incurred as a result of capital expenditures on major construction projects is capitalized as part of the cost of the assets. Interest capitalized during 1995 and 1994 was \$36,828 and \$95,884, respectively.

#### Fair value of financial instruments

Based on borrowing rates currently available, the carrying amounts of notes payable at December 31, 1995 approximate fair values.

#### Use of estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Because of the inherent uncertainties in their process, actual results could differ from such estimates. Management believes that the estimates are reasonable.

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NOTE 2 - EQUIPMENT:

Equipment consists of the following as of December 31, 1995:

	Estimated useful life in years	
Drilling and workover rigs and equipment	15	\$ 31,738,813
Jack-up rig under capital lease	15	5,403,706
Furniture, fixtures and other	4	157,479
Less - accumulated depreciation		<u>(3,029,887)</u>
		<u>\$ 34,270,111</u>

Depreciation expense for the years ended December 31, 1995 and 1994 and period ended December 31, 1993 was \$1,730,831, \$989,773 and \$272,731, respectively. Amortization associated with the jack-up rig under capital lease is included in depreciation expense.

NOTE 3 - INDEBTEDNESS:

The Company obtained \$927,143 of vendor financing to acquire certain rig equipment in December 1994. The note payable for such equipment bears interest at 11%, is due in January 1996 and is collateralized by the equipment. At December 31, 1995, \$241,388 of principal was outstanding under this obligation. The amount was paid in full in April 1996.

The Company has a primary revolving line of credit agreement with a bank under which borrowings are secured by trade receivables and bear interest payable monthly at rates based on the bank's prime rate plus one percent (9.5% at December 31, 1995). The agreement provided for a \$3,500,000 line of credit subject to limitations based on amounts of eligible accounts receivable outstanding. At December 31, 1995, the amount of credit available was reduced by a \$187,983 letter of credit representing a security deposit for insurance. Further, the maximum amount available under the line of credit was \$4,571, and the amount outstanding was \$3,057,446.

On June 14, 1996 and August 20, 1996, the Company entered into agreements to amend and restate the terms of the revolving line of credit. As a result, the available line of credit was increased to \$5,500,000 and the maturity date was extended from March 31, 1997 to November 20, 1997. Monthly principal repayments of \$1,833,333 are scheduled for September 20, 1997 and October 20, 1997, with any remaining principal due November 20, 1997. Further, certain covenants were modified and include the maintenance of tangible net worth of \$22,000,000 through October 31, 1996 which increases to \$25,000,000 thereafter; maintenance of an adjusted current ratio of .75 through October 31, 1996, increasing to .85 through December 31, 1996 and 1.00, thereafter. The maximum allowance for advances to affiliates was increased from \$2,000,000 to \$2,750,000. The requirement that the Company generate positive net income for any one year or two consecutive quarters was not amended and is still in effect.



In June 1996, the Company exercised its option to purchase a jack-up rig (Hercules Rig 11) through a vendor financing agreement (Note 7). The total purchase price of \$5,392,486 includes \$392,486 of additional costs to repair the rig's mud system. The note payable, which bears interest at 17%, is due on the earlier of the closing of a sale by the Company of secured long term debt securities or October 31, 1996.

In June 1996, the Company entered into another vendor financing agreement (Note 7) to purchase a jack-up rig (Hercules Rig 14) for \$2,300,000. The note payable which bears interest at LIBOR plus 2.5% is due on the earlier of a sale by the Company of secured long term debt securities or December 31, 1996.

The Company intends to repay the notes payable for the purchase of the two rigs through a private placement of secured debt securities. The private placement is intended to raise approximately \$30 million through the issuance of 10%-10.75% senior secured notes due 2003. The remaining proceeds received from the private placement will be used to refurbish two additional rigs, repay the line of credit and certain shareholder advances, pay fees and other closing costs and provide funds for general corporate purposes. The private placement is intended to be completed during October 1996.

#### NOTE 4 - STOCKHOLDER'S EQUITY AND PAYABLES TO PARENT:

The Company had a note payable to Adway of \$38,770, \$57,220 and \$181,495 at December 31, 1995, 1994 and 1993, respectively. The note bears interest at prime (8.75%, 8% and 6% at December 31, 1995, 1994 and 1993, respectively), is unsecured and is callable based on Adway's discretion.

During 1995, the Company received advances of \$4,054,670 from its stockholders to provide working capital and meet other operating cash requirements. Stockholder advances, which are noninterest-bearing, are included in current liabilities and totaled \$4,054,670 at December 31, 1995.

During 1996, the Company received advances from Trenergy of \$4,000,000 to provide for additional working capital (Note 11). The advances are payable on demand and are noninterest-bearing.

During September 1993, the Company received advances from Adway of \$2,829,384. In October 1993, Adway elected to contribute such advances and an additional \$1,925,000 into capital of the Company. The advances, aggregating \$4,754,384, were recorded as capital contributions at December 31, 1993.

For the period from inception to December 31, 1993, the Company issued two shares of common stock. Stockholder contributions consisted of virtually all operating assets of the Company at September 1, 1993 with a purchase price allocated by the stockholder of \$13,280,000, net of a capital lease obligation assumed of \$1,236,000.

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In January 1994, the Company amended the articles of incorporation to increase the authorized common stock of the Company from two shares to 18,034,384 shares and issued an additional 18,034,382 shares of common stock in connection with a 9,017,192-for-one stock split effected in the form of a dividend. As a result of this transaction, capital stock increased by \$18,034,382 with a corresponding reduction in additional paid-in capital to reflect a \$1.00 par value per share for each share issued.

#### NOTE 5 - INCOME TAXES:

The provision for income taxes consists of the following:

	December 31, 1995	December 31, 1994	For the period from inception (June 25, 1993) to December 31, 1993
Current federal income tax provision		\$ 309,580	\$ 777,992
Deferred federal income tax provision	\$ 429,857	847,352	569,308
Total provision for income taxes	<u>\$ 429,857</u>	<u>\$ 1,156,932</u>	<u>\$ 1,347,300</u>

The tax effects of the principal temporary differences between financial reporting and income tax reporting are as follows:

	December 31,		
	1995	1994	1993
Deferred tax assets:			
Alternative minimum tax credit carryforward	\$ 309,579	\$ 309,579	
Net operating loss carryforward	1,263,277	581,291	
Deferred tax liabilities:			
Accelerated depreciation	(3,241,095)	(2,238,733)	\$ (560,335)
Other	<u>(178,278)</u>	<u>(68,797)</u>	<u>(8,973)</u>
	<u>\$1,846,517</u>	<u>\$1,416,660</u>	<u>\$ (569,308)</u>

At December 31, 1995, the Company had net operating loss carryforwards for tax purposes of \$3,715,523, which expire in 2009. The Company also has alternative minimum tax credit carryforwards of \$309,579, which can be carried forward indefinitely. Changes in ownership of the Company could limit the utilization of tax attribute carryforwards.



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NOTE 6 - EMPLOYEE RETIREMENT PLAN:

The Company has a retirement plan which permits participants to make contributions up to 15% of their salary. The plan, which is a defined contribution plan, covers all employees who are age 21 or older and have 120 days of service. The Company may make discretionary contributions in amounts not to exceed the first six percent of an employee's eligible compensation contributed to the plan. For the years ended December 31, 1995, 1994 and the period from inception (June 25, 1993) to December 31, 1993, the Company contributed \$197,454, \$190,228 and \$0, respectively, to the Plan.

NOTE 7 - LEASES:

The predecessor company had a lease through a bareboat charter agreement for a jack-up rig at \$1,000 per day which was assigned to the Company on September 1, 1993. The lease had a \$1,200,000 purchase option at the end of the lease term which was exercised in August 1993 with a \$120,000 escrow deposit and consummated in October 1993 wherein the capital lease obligation and purchase option were paid in full.

The predecessor company had a lease through a bareboat charter agreement for a second jack-up rig which was also assigned to the Company on September 1, 1993. This agreement provided renewal options at \$2,000 per day through October 12, 1993 and \$2,500 through April 1994. The lease had a \$10,000,000 purchase option at the completion of the lease term. Payments under this agreement were recorded as a component of cost of operations as an operating lease and totaled \$294,850 for the period from inception (June 25, 1993) through December 31, 1993.

In April 1994, the Company sold its right, title and interest in and the right to purchase the jack-up rig for \$100,000 to Hercules Rig Corporation (HRC), an affiliate of the Company, who exercised the purchase option. The financial statements include a \$100,000 gain related to this transaction. In April 1994, the Company entered into a two-year bareboat charter agreement with HRC for the rig at \$2,500 per day. This agreement provides a renewal option for an additional two years at market rates. However, upon expiration of the original term, the option was not exercised and the lease has reverted to a month-to-month arrangement with a charter rate of \$2,500 per day. Payments under this agreement are recorded as a component of cost of operations as an operating lease and totaled \$837,500 and \$866,375 for the years ended December 31, 1995 and 1994, respectively. HRC has pledged the rig as collateral for certain debt incurred by HRC in fiscal 1995.

In April 1994, the Company entered into a lease through a bareboat charter agreement for a third jack-up rig at a minimum of \$1,875 per day, with increasing rates based on rig utilization. The lease has a purchase option of \$5,000,000 at the end of the second year. The bareboat charter agreement requires that the jack-up rig not be used for exploratory or developmental drilling in the U.S. Gulf of Mexico. This jack-up rig was recorded in the accompanying financial statements as a capital lease. Payments related to this agreement totaled \$876,250 for the year ended December 31, 1995. In June 1996, the Company exercised its option to purchase the jack-up rig through a vendor financing agreement (Note 3).

The Company leases its office buildings and certain equipment under long-term operating leases.

Rental expense for the year ended December 31, 1995, 1994 and for the period from inception (June 25, 1993) to December 31, 1993 was approximately \$2,602,728, \$1,811,631 and \$621,014, respectively. Future minimum lease payments on the Company's long-term operating leases are as follows for the years ending December 31:

1996	\$ 444,273
1997	10,306
1998	6,572
1999	<u>233</u>
	<u>\$ 461,384</u>

NOTE 8 - RELATED PARTY TRANSACTIONS:

In accordance with a Management Services Agreement, the Company provides essentially all accounting and administrative services to Hercules Marine Services Corporation (HMS), an unconsolidated entity owned by Adway. The Company's total general and administrative expenses are charged to HMS at a rate of one-tenth for the year ended December 31, 1995 and for the period from May 1, 1994 to December 31, 1994 and are recorded as a reduction of the Company's expense. An aggregate of \$343,670 and \$384,800 and \$124,226 was charged to HMS for general and administrative services for the years ended December 31, 1995, 1994 and 1993, respectively. The Company also provides cash advances to HMS to finance working capital requirements and other cash needs. In 1995, HOC and HMS entered into a demand promissory note under which HOC may advance up to \$800,000 to HMS payable on demand. At December 31, 1995, 1994 and 1993, receivables from HMS totaled \$799,502, \$519,893 and \$488,178, respectively, and related interest receivable totaled \$108,659, \$49,489 and \$0, respectively. Summarized financial information for HMS as of December 31, is as follows:

	<u>1995</u>	(Unaudited) <u>1994</u>	<u>1993</u>
Current assets	\$ 113,452	\$ 69,085	\$ 135,289
Noncurrent assets	853,806	758,441	705,883
Current liabilities	1,697,783	1,236,376	552,920
Equity	(730,525)	(408,858)	288,252
Revenues	1,329,547	1,007,022	186,548
Net loss	(342,679)	(697,112)	(211,747)

During 1994, the Company provided HRC cash advances totaling \$1,100,000 primarily consisting of a \$1,000,000 escrow deposit required for the purchase of a jack-up rig (Note 7).

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The Company has a management service agreement with Hercules Capital Corporation (HCC), a company owned by an officer of the Company. HCC provides investment banking services for the Company. Payment for these services totaled \$88,945, \$85,730 and \$27,270 for the years ended December 31, 1995, 1994 and for the period from inception (June 25, 1993) to December 31, 1993, respectively.

**NOTE 9 - COMMITMENTS AND CONTINGENCIES:**

In the normal course of business, employees of the Company and of the Company's customers have incurred injuries. These incidents could result in workers' compensation and other claims against the Company. Management plans to aggressively defend its position in any claims and believes its insurance coverage is adequate to cover any possible material losses.

The Company has employment agreements with certain officers of the Company which provide guaranteed payments if the officers are terminated without cause. At December 31, 1995, guaranteed future payments under these agreements and the management services agreement with HCC (Note 8) total \$273,330.

**NOTE 10 - SUPPLEMENTAL DISCLOSURES TO THE STATEMENT OF CASH FLOWS:**

	Year ended December 31,		For the period from inception (June 25, 1993) to December 31,
	1995	1994	1993
Cash paid for interest, net of amounts capitalized	\$ 923,000	\$ 245,000	
Cash paid for taxes, net of refunds	(51,000)	995,000	\$ 229,000
Supplemental disclosures of noncash investing and financing activities:			
Assets acquired through debt financing (Note 3)	27,813	1,227,000	
Asset acquired under capital lease (Note 7)		5,403,706	14,480,000

**NOTE 11 - SUBSEQUENT EVENTS:**

In June 1996, the Company entered into an eighteen month lease agreement for a top drive system at a rate of \$90,000 per month. The lease has an option to purchase the top drive system at the completion of the lease term at a price below fair market value.

On April 30, 1996, the stockholders sold their 100% ownership of the Company to Trenergy (Note 1). The stockholders received cash and stock of Trenergy. The resultant change in the stockholders' basis has not been given effect to in the accounts of the Company. The sellers have guaranteed to Trenergy that the Company's profit before tax will be approximately \$6 million for each of the five years after

the closing of the transaction. The guarantee is supported by a bank guarantee provided by the sellers. Further, Trenergy advanced to the Company approximately \$4,000,000 for certain rig improvements. The advances are to be repaid upon consummation of the sale by the Company of secured long-term debt securities (discussed in Note 3).

In February 1996, the Company entered into a thirteen month lease agreement for a top drive system at a rate of \$119,135 per month. The lease has a purchase option of \$100.00 at the completion of the thirteen month lease term.

In February 1996, the Company entered into an operating lease agreement through a bareboat charter agreement with Cliff's Drilling for a jack-up rig (Rig 12) at a rate of \$3,250 per day.

In February 1996, the Company awarded bonuses of \$170,000 to certain officers.

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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY. If you have sold all your ordinary shares in Trenergy (Malaysia) Bhd, please hand this Circular together with the accompanying Form of Proxy to the agent through whom the sale was contracted for transmission to the purchaser.

THE APPROVAL OF THE SECURITIES COMMISSION SHALL NOT BE TAKEN TO INDICATE THAT THE SECURITIES COMMISSION RECOMMENDS THE PROPOSED DISPOSAL OF HERCULES OFFSHORE CORPORATION BY TREENERGY (MALAYSIA) BHD ("PROPOSED DISPOSAL"). SHAREHOLDERS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE PROPOSED DISPOSAL.

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[ LOGO ]

**TREENERGY (MALAYSIA) BHD**

(Company No. 206596-H)  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS**

in relation to the

- (i) Proposed disposal of the entire issued and paid-up share capital of Hercules Offshore Corporation ("HOC") comprising 18,034,384 ordinary shares of USD1.00 each and 4,000,000 preferred shares of USD1.00 each to Parker Drilling Company ("Parker") for a cash consideration of USD145,000,000
- (ii) Proposed Rescission of the Profit Guarantee on HOC given to the Company by Encik Salehuddin bin Hashim and Encik Zaharuddin bin Alias

*Prepared with the assistance of*

[ LOGO ]

**RHB Sakura Merchant Bankers Berhad**

(formerly known as DCB Sakura Merchant Bankers Berhad)  
(Company No. 19663-P)

Notice of the Extraordinary General Meeting to be held at the Cempaka Raya Room, Hotel Equatorial, Jalan Sultan Ismail, 50250 Kuala Lumpur on Saturday 27 December 1997 at 11 a.m. together with the Form of Proxy are enclosed herewith. The Form of Proxy should be lodged at the Registered Office of the Company not less than 48 hours before the time stipulated for holding the meeting.

**DEFINITIONS**

*Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-*

Adviser / RHB Sakura	- RHB Sakura Merchant Bankers Berhad (formerly known as DCB Sakura Merchant Bankers Berhad)
Auditors	- Arthur Andersen & Co.
EGM	- Extraordinary General Meeting
FPSO	- Floating Production Storage and Offloading Facility
HOC	- Hercules Offshore Corporation
HRC	- Hercules Rig Corporation
Intria	- Intria Berhad
Jefferies	- Jefferies & Company, Inc., an independent USA based investment banker
KLSE	- Kuala Lumpur Stock Exchange
PCSB	- Petronas Carigali Sdn Bhd
Parker	- Parker Drilling Company, a company incorporated in the USA and listed on the New York Stock Exchange
Proposals	- Proposed Disposal and Proposed Rescission of Profit Guarantee, collectively
Proposed Disposal	- The proposed disposal by TMB to Parker of the entire issued and paid-up share capital of HOC comprising 18,034,384 ordinary shares of USD1.00 each and 4,000,000 preferred shares of USD1.00 each for the Sale Consideration
Proposed Rescission of Profit Guarantee	- Proposed rescission of the Profit Guarantee (as contained in the Supplemental Agreement dated 19 December 1995 amending the terms of an agreement dated 31 December 1993 in relation to the acquisition of HOC by TMB)
Profit Guarantee	- Profit guarantee by Encik Salehuddin bin Hashim and Encik Zaharuddin bin Alias to TMB, to guarantee that the annual profits of HOC shall amount to at least RM15 million annually for a period of five years from the date of acquisition of HOC by TMB
RM and sen	- Ringgit Malaysia and sen respectively
S&P Agreement	- The Conditional Sale and Purchase Agreement dated 9 May 1997 between TMB and Parker in relation to the Proposed Disposal

## DEFINITIONS (Cont'd)

Sale Consideration

- The sale consideration for the Proposed Disposal of USD145 million (approximately RM464 million assuming an exchange rate of RM3.20:USD1.00) subject to such adjustment upwards or downwards arising from (i) the amount of principal, interest, fees, prepayment penalties and other amount owed by HOC to certain selected persons stated in the S & P Agreement and assumed by Parker on completion of the S & P Agreement (ii) any payment made by Parker to the selected lenders of HOC and (iii) previously paid or incurred capital expenditure and projected capital expenditure to be independently verified. The sale consideration shall be further adjusted after completion for working capital attributable to HOC, greater or less than USD4 million

SC

- Securities Commission

TMB / the Company

- Trenergy (Malaysia) Bhd

TMB Group / the Group

- TMB and its subsidiary and associated companies

USA

- United States of America

USD and cents

- United States Dollars and cents, respectively

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# TRENERGY (MALAYSIA) BHD

(Company No. 206596-H)

(Incorporated in Malaysia)

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## Registered Office:-

Wisma ISP  
No. 29A, Jalan Taman U Thant  
55000 Kuala Lumpur

12 December 1997

## Directors:-

Salehuddin bin Hashim (*Executive Chairman*)  
Zaharuddin bin Alias (*Deputy Chairman*)  
Razman bin Ariffin (*Managing Director*)  
Liow Hoon Ing (*Executive Director*)  
Dato' Abdul Rahman bin Nasir  
Chee Peck Kiat @ Chee Peck Jan  
Dato' Abdul Rahman @ Abdul Ghani bin Awang  
Dr Nabil bin Tan Sri Abdul Jalil  
George Anthony Dass David  
Bruce Thompson  
Yan Ying Chieh (*alternate to Liow Hoon Ing*)  
Shahril Ridza bin Ridzuan (*alternate to Salehuddin bin Hashim*)  
Farriz Fakhani Mashudi (*alternate to Razman bin Ariffin*)

To: The Shareholders of Trenergy (Malaysia) Bhd

Dear Sir/Madam,

- (i) Proposed disposal of the entire issued and paid-up share capital of Hercules Offshore Corporation ("HOC") comprising 18,034,384 ordinary shares of USD1.00 each and 4,000,000 preferred shares of USD1.00 each to Parker Drilling Company ("Parker") for a cash consideration of USD145,000,000
- (ii) Proposed Rescission of the Profit Guarantee on HOC given to the Company by Encik Salehuddin bin Hashim and Encik Zaharuddin bin Alias

## 1. INTRODUCTION

Shareholders will recall approving on 16 January 1996, inter-alia, your Company's acquisition of the entire issued and paid-up share capital of HOC comprising 18,034,384 ordinary shares of USD1.00 each for a purchase consideration of RM120,000,000 which was satisfied as to RM80 million by the issuance of 21,052,631 new TMB ordinary shares of RM1.00 each at an issue price of RM3.80 per share and the balance of RM40 million by cash funded from proceeds of a rights issue of 27,712,500 new ordinary shares of RM1.00 each at RM2.35 per share. The acquisition of HOC was approved by the SC on 22 June 1995 and completed on 30 April 1996.

TMB subsequently subscribed to the new issue of 4,000,000 preferred shares of USD1.00 each in HOC on 21 December 1996 through the capitalisation of certain loans made to HOC by TMB.

The SC's approval for TMB's acquisition of HOC was subject to, inter-alia, the following:-

- (i) the then vendors of HOC, namely Encik Salehuddin bin Hashim and Encik Zaharuddin bin Alias, are required to provide an undertaking that they would continue to take part in the management of TMB and that they would not reduce their shareholdings in TMB for a period of three years from the date of completion of the acquisition of HOC i.e. on 30 April 1996; and
- (ii) the then vendors of HOC are required to guarantee that the annual profits of HOC shall amount to at least RM15.0 million annually for a period of five years after the completion of the acquisition of HOC.

Encik Salehuddin bin Hashim and Encik Zaharuddin bin Alias had on 19 December 1995, entered into an agreement with TMB to provide the Profit Guarantee.

Further, Encik Salehuddin bin Hashim and Encik Zaharuddin bin Alias had vide a letter dated 7 May 1996 to the SC, undertaken that they will continue to take part in the management of TMB and that they will not reduce their shareholdings in TMB for a period of three years from the date of completion of the acquisition of HOC by TMB ("Undertaking by Encik Salehuddin bin Hashim and Encik Zaharuddin bin Alias").

On 9 May 1997, your Board announced that TMB has entered into the S&P Agreement with Parker to dispose the entire issued and paid-up share capital of HOC comprising 18,034,384 ordinary shares of USD1.00 each and 4,000,000 preferred shares of USD1.00 each for the Sale Consideration.

Subsequently, it was announced on 9 December 1997 that the SC had, vide their letter dated 5 December 1997 approved the Proposed Disposal and the rescission of the profit guarantee agreement entered into between TMB and Encik Salehuddin bin Hashim and Encik Zaharuddin bin Alias subject to, inter-alia, the following conditions:-

- (i) the gross proceeds from the Proposed Disposal amounting to approximately RM464 million (assuming an exchange rate of RM3.20:US\$1.00) shall be utilised in the following manner:-

	RM million
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Estimated repayment of certain liabilities of HOC and adjustments to working capital under the terms of the S&P Agreement #	114
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\* TMB is actively seeking suitable investment opportunities as part of its strategy to strengthen its presence in the domestic as well as regional oil and gas sector. Such opportunities include a contract for the FPSO project which was awarded to the Company on 6 May 1997 by PCSB. However, the terms and conditions of the contract are still under negotiation. The Directors of TMB propose that the remainder of the proceeds from the Proposed Disposal be kept aside for such purposes or, subject to the approval of the SC, other suitable investment purposes.

# This amount shall be payable in USD.

- (ii) approval being obtained from the shareholders of TMB at an EGM, for the rescission of the Profit Guarantee, as set out as Ordinary Resolution 2 in the enclosed Notice of EGM.

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Encik Salehuddin bin Hashim and Encik Zaharuddin bin Alias had on 30 July 1997 entered into a conditional sale and purchase agreement with Intria to dispose of their entire shareholdings in TMB amounting to 21,052,631 ordinary shares representing 30.89% of the issued and paid-up share capital of TMB. In this connection, the SC had in their aforesaid letter stated that they will only consider the release of the abovementioned Undertaking by Encik Salehuddin bin Hashim and Encik Zaharuddin bin Alias upon being furnished with a written clarification by Encik Salehuddin bin Hashim and Encik Zaharuddin bin Alias on this conditional sale and purchase agreement with Intria. However, the SC's decision on the Undertaking by Encik Salehuddin bin Hashim and Encik Zaharuddin bin Alias will have no bearing on the Proposals.

The purpose of this Circular is to provide you with detailed information on the Proposals, to set out your Board's recommendation thereon and to seek your approval for the resolution relating to the Proposals as set out in the Notice of EGM enclosed with this Circular.

## **2. THE PROPOSED DISPOSAL**

### **2.1 Terms and Conditions**

Pursuant to the terms and conditions of the S&P Agreement dated 9 May 1997, your Company has proposed to dispose the entire issued and paid-up share capital of HOC to Parker for the Sale Consideration.

The HOC shares shall be disposed of free from all liens, charges, pledges, and encumbrances.

The Sale Consideration shall be payable in full, in cash upon completion of the S&P Agreement.

### **2.2 Valuation of the Sale Consideration**

The Sale Consideration for the Proposed Disposal will be USD145 million (approximately RM464 million assuming an exchange rate of RM3.20:USD1.00) subject to such adjustment upwards or downwards arising from (i) the amount of principal, interest, fees, prepayment, penalties and other amounts owed by HOC to certain selected persons stated in the S & P Agreement and assumed by Parker on completion of the S & P Agreement; (ii) any payment made by Parker to the selected lenders of HOC; and (iii) previously paid or incurred capital expenditure and projected capital expenditure by HOC to be independently verified. The Sale Consideration shall be further adjusted after completion of the S&P Agreement for the working capital of HOC by an amount greater or less than USD4 million (calculated as the difference between the working capital of HOC upon completion and USD4 million), to reflect the profits earned by HOC prior to the completion and attributable to TMB.

The value of the aforesaid adjustments can only be quantified upon completion of the S&P Agreement. However, TMB has estimated the total value of the adjustments to be approximately USD35,625,000 or RM114,000,000 (assuming an exchange rate of RM3.20:USD1.00). Hence, the net cash proceeds before estimated expenses estimated to be received from the Sale Consideration is USD109,375,000 or RM350,000,000.

The gross Sale Consideration of USD145 million was arrived at on a willing-buyer, willing-seller basis after taking into consideration, inter-alia, preliminary evaluation of the rigs owned by HOC and the business of HOC by Jefferies, based on publicly available information and/or information provided by HOC.

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TMB has commissioned Jefferies to provide an opinion as to the fairness, from a financial point of view, of the consideration to be received from the Proposed Disposal. Jefferies are of the opinion that the consideration to be received by TMB pursuant to the S&P Agreement, is fair. This opinion is derived from Jefferies' valuation of HOC, which ranges from USD100 million to USD120 million. Jefferies had based their valuation on the results of three valuation methodologies: Comparable Transactions, Asset Value and Discounted Cash Flow Analysis.

A copy of Jefferies' opinion letter dated 3 October 1997 setting out their opinion and valuation is set out in Appendix V of this Circular.

### 2.3 Information on HOC

HOC was incorporated in the State of Texas, USA on 25 June 1993 to acquire and take over the assets, liabilities and business of a similar named company which was earlier incorporated in the State of Delaware, under the name of Hercules Offshore Drilling Corporation in 1981.

HOC is an independent marine contractor specialising in workover, completion and shallow water drilling services for the oil and gas wells located in the Gulf of Mexico. It currently operates ten rigs (of which eight are owned and two are leased under a 'bareboat charter' i.e. a long term lease without provision of crew, operations or maintenance, all of which are the responsibility of the lessee) in the Gulf of Mexico.

HOC's customer base consists primarily of independent and major oil companies that operate oil and gas drilling services in the Gulf of Mexico and include Chevron USA, Inc., Phillips Petroleum Company, Texaco Exploration and Production Co., Union Oil of California (Unocal) Exploration Corporation, Marathon Oil Company, AGIP, Samedan, OEDC, Burlington, Greenhill and Forcenergy.

Further information on HOC is set out in Appendix II.

### 2.4 Information on Parker

Parker was incorporated in the State of Delaware, USA in August 1954 and is presently listed on the New York Stock Exchange. Parker is a leading worldwide provider of contract drilling and drilling related services to major independent and foreign oil companies. In line with its present expansion, Parker has recently completed the acquisition of Mallard Bay Drilling, Inc., a barge drilling and workover company operating in the transition zones of the Gulf of Mexico and Quail Tools, Inc., a provider of rental equipment for drilling and workover operations, primarily in the Gulf of Mexico. In addition to acquiring HOC, Parker is also presently awaiting the completion of its acquisition of Bolifor SA, a provider of land contract drilling services in Bolivia.

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### 3. RATIONALE FOR THE PROPOSALS

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#### 3.1 Proposed Disposal

##### *Suitable Market Conditions*

The demand for drilling rigs in the Gulf of Mexico has demonstrated strong annual growth since 1995. The average annual rig utilisation rates in the Gulf of Mexico between 1993 and 1997 are as follows:-

Year	%
1993	80.4
1994	79.7
1995	76.2
1996	86.7
1997 e	94.0

e – estimate

*Source: Offshore Data Services, Incorporated, Houston, Texas, USA*

The recent high utilisation rates for rigs is symptomatic of a bullish environment with drilling companies competing for new opportunities in both the oil field and the corporate market place. The latter is evidenced in recent consolidation activities inherent in the industry with several smaller drilling companies merging or being acquired. The recent high levels of corporate activity in this industry has presented the Directors of TMB with a clear opportunity to dispose of HOC for a premium price which would not otherwise be obtainable under normal market conditions.

In addition, the Directors of TMB have arrived at the decision to dispose of HOC after taking into consideration the demand for HOC's services and its heavy dependency on the level of offshore oil and gas installation, development and production activities. The level of exploration and development of oil and gas is cyclical in nature and has a high correlation with variations in oil and gas prices. Recent stability in oil and gas prices have led to an increase in development activities and an opportunity for TMB to realise the full value of HOC through a disposal, at a time when the market is near to its peak.

The present high level of demand for rigs is a marked contrast to the comparatively lower levels of demand during the time of TMB's initial acquisition of HOC in 1993 and is strongly attributed to the strong growth in exploration and development activities in recent years. This is reflected in the steady increase in dayrates attained by HOC's fleet of rigs.

Consequently, the Sale Consideration of USD145 million or RM464 million (assuming an exchange rate of RM3.20:USD1.00), after taking into account the estimated transaction expenses and the repayment of certain liabilities of HOC under the terms of the S&P Agreement, represents a gain of more than RM200 million over the original investment cost of RM131 million (comprising the purchase price of RM120 million and related expenses for the acquisition) or a gain of more than 153% since April 1996.

### *Exit from Volatile Business*

The strong demand for rigs has led to the increased construction of new rigs, as companies seek to increase supply to match demand. Historically, the increase in supply of newly built rigs has been an early indicator of an approaching reversal in the rig market, with supply first meeting and subsequently outstretching demand. This very same scenario occurred in the early 1980s resulting in an over supply in the market which has only recently been corrected. Thus, your Directors believe that the disposal of HOC, at this point in time, presents an ideal opportunity for TMB to avoid the risk of any cyclical downturn that may occur in the future which would cause a significant dilution in the Group's earnings.

A further risk consideration which has been taken into account by your Directors, is the age of HOC's fleet of rigs which averages 16 years. At present, the maritime laws and regulations and classifications society in the USA have not introduced stringent requirements with respect to the age of rigs. However, in view of the current increase in newly built rigs, the management of TMB foresee an increasing possibility and inherent risk that the regulations and classification requirements could be tightened, the imposition of which may cause an additional burden to the operation and profitability of HOC.

In the near future, the increase in the rate of new rigs being built may pose a serious competitive threat to HOC in two ways. Firstly, as more rigs are being constructed specifically for particular contracts and fields, HOC will be effectively excluded from bidding for associated work given the specific rig requirements necessary for such contracts. Secondly, as new rigs are made available, exploration and development companies will begin to find it more attractive to consider newer rigs for their operations whereas in the present situation, the lack of available rigs compels them to utilise older rigs.

The present rig market also serves as an opportune exit point for TMB from the complexities of exercising effective management control over vast geographical distances. The nature of the rig business in the USA requires constant management supervision, for which your Directors are of the opinion, could be better spent developing its presence in the local and regional oil and gas industry, primarily as one of Malaysia's premier local oil and gas industry participants.

### *Tax advantage*

The USA is not party to any double taxation treaty with Malaysia. As such, any profits remitted to TMB by HOC in the form of dividends is subject to the applicable tax in the USA, presently levied at 30%, and is taxed again in the hands of TMB by Malaysian tax authorities. The Proposed Disposal therefore represents a tax efficient way for TMB to benefit from the recent success of HOC as capital gains on the sale of HOC are not taxable by either the USA or Malaysian authorities, as confirmed by the tax consultants of TMB vide their letter dated 5 November 1997.

### *National Interest*

With the current devaluation of the RM, the Proposed Disposal will benefit Malaysia as the purchase consideration is denominated in USD.

Furthermore, the remittance of these proceeds would represent a significant inflow of capital from overseas into Malaysia which would improve the country's balance of payments.

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### 3.2 Proposed Rescission of Profit Guarantee

The Proposed Rescission of the Profit Guarantee is conditional upon the approval of shareholders for the Proposed Disposal. The Profit Guarantee was provided to TMB during TMB's acquisition of HOC to guarantee the Company and its shareholders that the annual profits of HOC would not be less than RM15 million annually for a period of five years from the date of the acquisition of HOC.

However, if the Proposed Disposal is approved, the underlying basis for the Profit Guarantee is removed as the Company will no longer own HOC. As such, the Company is no longer at risk of the profits of HOC falling below the stated RM15 million level. The Company stands to achieve an extraordinary gain of more than RM200 million from the Proposed Disposal, equivalent to more than thirteen years of the guaranteed profits.

Furthermore, if the Proposed Disposal is approved, the performance of HOC no longer has any bearing whatsoever to the Company as TMB would not have any further interest in HOC.

## 4. UTILISATION OF PROCEEDS

The Proposed Disposal shall give rise to proceeds amounting to USD145 million (approximately RM464 million assuming an exchange rate of RM3.20:USD1.00). Your Board of Directors proposes to utilise the said proceeds in the following manner:-

	USD million	RM million
Estimated expenses in relation to the Proposed Disposal		10
Estimated repayment of certain liabilities of HOC and adjustments to working capital under the terms of the S&P Agreement	35.6	114
Retirement of borrowings / long term liabilities		97
Additional working capital		25
Future investment purposes		218
		<u>464</u>

### 4.1 Estimated expenses in relation to the Proposed Disposal

Approximately RM10 million from the proceeds of the Proposed Disposal will be utilised to pay for expenses incurred and to be incurred in connection with the Proposed Disposal.

### 4.2 Estimated repayment of certain liabilities of HOC and adjustments to working capital under the terms of the S&P Agreement

Your Directors estimate the abovementioned repayment of liabilities and adjustments to working capital on completion of the S&P Agreement to be as follows:-

	USD *000	<sup>1</sup> RM*000
Loans from Heller Financial, Inc. of Chicago, Illinois, USA, which includes an amount of approximately RM44 million which HOC has advanced to TMB	25.600	81.920
Loans from Southwest Bank of Texas N.A., Texas, USA	9.000	28.800
Other net liabilities - fixed asset adjustments	(5.000)	(16.000)
- working capital adjustments <sup>2</sup>	-	-
- other liabilities	6.025	19.280
	<u>35.625</u>	<u>114,000</u>

Notes :

<sup>1</sup> Assuming an exchange rate of approximately RM3.20:USD1.00

<sup>2</sup> The working capital adjustments can only be determined upon completion of the S&P Agreement. As at 30 September 1997, HOC's working capital stands at USD4.6 million or RM14.72 million (assuming an exchange rate of RM3.20:USD1.00).



#### 4.3 Retirement of borrowings/long term liabilities

Your Directors plan to retire the following Company and Group borrowings / long term liabilities:-

Company	Overdraft RM'000	Term Loan RM'000	Total RM'000
TMB	14.000	70.000	84.000
Velosi (M) Sdn Bhd	3.000	3.200	6.200
Trenggo Minerals Sdn Bhd	262	2.538	2.800
Trenggo Quarry Sdn Bhd	-	4.000	4.000
<b>Total</b>	<b>17.262</b>	<b>79.738</b>	<b>97.000</b>

At present, the above borrowings attract interest costs of between 12% and 17% per annum.

As at 30 November 1997, the Group's total borrowings amount to approximately RM106 million comprising RM23 million in overdrafts and RM83 million in term loans and the gearing ratio is estimated to be approximately 106.5%. The retirement of the above facilities is expected to translate to interest savings of approximately RM20 million per annum and is expected to significantly reduce the Group's gearing ratio from the existing 106.5% to 3.9%.

#### 4.4 Additional working capital

In line with the continued expansion of the Group's other existing activities, your Directors propose that RM25 million from the proceeds be allocated for additional working capital.

#### 4.5 Future investment purposes

TMB is actively seeking suitable investment opportunities as part of its strategy to strengthen its presence in the domestic as well as regional oil and gas sector. Such opportunities include a contract for the FPSO project which was awarded to the Company on 6 May 1997 by PCSB. Although the terms and conditions of the contract are still under negotiation, the capital expenditure required for such undertakings will be high. The Directors of TMB propose that the remainder of the proceeds from the Proposed Disposal be kept aside for such purposes or other suitable investment purposes.

Pending finalisation of the FPSO contract and / or other opportunities and the consent of the SC for the utilisation of proceeds for such purposes, the remaining proceeds from the Proposed Disposal attributable to future investment purposes will be kept in interest bearing accounts.

### 5. EFFECTS OF THE PROPOSED DISPOSAL

#### 5.1 On Share Capital

The Proposed Disposal will not have any impact on the share capital of TMB which shall remain at RM68,198,631 comprising 68,198,631 ordinary shares of RM1.00 each.

#### 5.2 On Shareholding Structure

The Proposed Disposal will not have any impact on the shareholding structure of TMB.

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### 5.3 On Net Tangible Assets ("NTA")

Based on the audited results of the Group as at 31 December 1996, the Proposed Disposal shall have the following effects on TMB Group's NTA:-

	Audited as at 31.12.1996 RM '000	Proforma After Proposed Disposal and repayment of borrowings RM '000
Share capital	68.123	68.123
Share premium	106.649	106.649
Capital reserves	708	708
Reserve on Consolidation	1.752	1.752
Retained earnings	5.129	251.116
Shareholders funds	182.361	428.348
Less : Intangibles	(75.510)	(15.990)
NTA	106.851	412.358
NTA per share (RM)	1.57	6.05

The detailed proforma consolidated balance sheet of TMB and the auditors' letter thereon are enclosed in Appendix IV of this Circular.

### 5.4 On Earnings

Barring unforeseen circumstances and assuming that the Proposed Disposal is completed by 31 December 1997, the profit estimate and forecast of TMB Group before and after the Proposed Disposal for the two financial years ending 31 December 1998 are as follows:-

	Before the Proposed Disposal	* After the Proposed Disposal and repayment of borrowings
<b>For the financial year ending 31 December 1997</b>		
Consolidated profit before tax after minority interest ("MI") (RM'000)	40.559	257.804
Consolidated profit after tax and MI (RM'000)	17.394	234.638
No. of shares in issue	68.199	68.199
Gross earnings per share (sen)	59.47	378.02
Net earnings per share (sen)	25.50	344.05
<b>For the financial year ending 31 December 1998</b>		
Consolidated profit before tax after minority interest ("MI") (RM'000)	41.186	22.749
Consolidated profit after tax and MI (RM'000)	9.753	15.637
No. of shares in issue	68.199	68.199
Gross earnings per share (sen)	60.39	33.36
Net earnings per share (sen)	14.30	22.93

\* Assuming that the Proposed Disposal is completed by 31 December 1997

The estimated gain to the Group from the Proposed Disposal amounting to approximately RM214.8 million has been incorporated in the profit estimate for the year ending 31 December 1997.

The detailed consolidated profit estimate and forecast of TMB for the two financial years ending 31 December 1998 and the auditors letter thereon, are enclosed in Appendix III of this Circular.

#### 5.5 On dividends

Your Company declared a first and final tax exempt dividend of 5% for the financial year ended 31 December 1996. Subject to the completion of the Proposed Disposal and barring unforeseen circumstances, your Board is of the opinion that it will be in a position to propose a gross dividend of 5% for the financial year ending 31 December 1997.

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### 6. CONDITIONS TO THE PROPOSALS

The Proposed Disposal is conditional upon approvals being obtained from:-

- (i) the SC, which was obtained vide their letter dated 5 December 1997;
- (ii) the shareholders of TMB at the forthcoming EGM;
- (iii) the simultaneous completion of the sale of HRC by Rashid & Lee Nominees Sdn Bhd to Parker. HRC is the owner of two rigs, which are currently leased to HOC under a long term bareboat agreement between the two companies; and
- (iv)
- (v) the Justice Department in USA pursuant to the provisions of the Hart-Scott-Rodino Anti-Trust Improvements Act of 1976, which was obtained on 25 September 1997.

The Proposed Rescission of Profit Guarantee is conditional upon the following:-

- (i) completion of the Proposed Disposal; and
- (ii) approval of the shareholders of TMB at the forthcoming EGM.

### 7. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Mr George Anthony Dass David is a Director of Rashid and Lee Nominees Sdn Bhd, the vendors of HRC, for which the sale of HRC to Parker is inter-conditional upon the completion of the Proposed Disposal. As such, he is deemed interested in the Proposed Disposal and has abstained and will continue to abstain from all TMB Board deliberations pertaining to the Proposed Disposal. Mr George Anthony Dass David does not have any direct or indirect shareholdings in TMB.

Encik Salehuddin bin Hashim and Encik Zaharuddin bin Alias provided the Profit Guarantee to TMB. As such, they are deemed interested in the Proposed Rescission of the Profit Guarantee and have abstained and will continue to abstain from all TMB Board deliberations pertaining to the Proposed Rescission of the Profit Guarantee.

Save as disclosed above, insofar as the Directors of TMB are aware, none of the Directors nor substantial shareholders of TMB has any interest, direct or indirect, in the Proposed Disposal or in the Proposed Rescission of the Profit Guarantee.

8. **DIRECTORS' RECOMMENDATION**

After due consideration of the terms of the Proposed Disposal and all the above factors, your Directors apart from Mr George Anthony Dass David, are of the opinion that the Proposed Disposal is in the interest of the Company and its shareholders. Accordingly, your Directors, apart from Mr George Anthony Dass David who does not express any opinion on the Proposed Disposal, recommend that you vote in favour of the resolution pertaining to the Proposed Disposal to be tabled at the forthcoming EGM.

After due consideration of the Proposed Rescission of the Profit Guarantee and all the above factors, your Directors, apart from Encik Salehuddin bin Hashim and Encik Zaharuddin bin Alias, are of the opinion that the Proposed Rescission of the Profit Guarantee is in the interest of the Company and its shareholders. Accordingly, your Directors, apart from Encik Salehuddin bin Hashim and Encik Zaharuddin bin Alias, who do not express any opinion on the Proposed Rescission of the Profit Guarantee, recommend that you vote in favour of the resolution pertaining to the Proposed Rescission of the Profit Guarantee to be tabled at the forthcoming EGM.

9. **EXTRAORDINARY GENERAL MEETING**

The Notice convening the EGM to vote on the resolution pertaining to the ~~Proposed Disposal~~ <sup>Proposed</sup> is set out at the end of this Circular. The EGM will be held at Cempaka Raya Room, Hotel Equatorial, Jalan Sultan Ismail, 50250 Kuala Lumpur on Saturday 27 December 1997 at 11 a.m.

If you are unable to attend the EGM in person, please complete, sign and return the enclosed Form of Proxy in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company not less than 48 hours before the time fixed for the EGM. The lodging of the Form of Proxy does not preclude you from attending and voting in person should you subsequently wish to do so.

10. **FURTHER INFORMATION**

Shareholders are requested to refer to the attached appendices for further information.

Yours faithfully  
For and on behalf of the Board,

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**RAZMAN BIN ARIFFIN**  
MANAGING DIRECTOR

## INFORMATION ON TMB

### 1. HISTORY & BUSINESS

TMB was incorporated in Malaysia on 19 October 1990 as a private limited company under the name of Trenergy (Malaysia) Sdn Bhd. The Company became a public limited company on 12 July 1991 and consequently changed its name to Trenergy (Malaysia) Bhd. The Company was listed on the KLSE Second Board on 19 August 1992.

TMB is principally an investment holding company whilst its subsidiary companies are engaged in the manufacture of barite powder and disposable gas lighters, provision of non-destructive testing and quality assurance and quality control services to the oil and gas and other related industries and the provision of freight, warehousing and transport services. Through HOC, the Group is involved in the provision of independent marine contracting workover, completion and shallow water drilling services for the oil and gas wells located in the Gulf of Mexico.

### 2. SHARE CAPITAL

As at 30 November 1997, the authorised share capital of TMB is RM100,000,000 comprising 100,000,000 ordinary shares of RM1.00 each while its issued and fully paid-up capital is RM68,198,631 comprising 68,198,631 ordinary shares of RM1.00 each.

On 5 April 1994, TMB implemented an Executive Share Option Scheme ("ESOS"), whereby 793,000 ordinary shares were made available under this ESOS. Out of this total, 750,000 shares were offered to eligible directors and employees. The shares under the ESOS can be exercised at any time during the five years from the implementation date i.e. from 5 April 1994 to 4 April 1999 at an option price of RM4.54. The terms of the ESOS were later revised to take into account the effects of the rights issue made in 1996, where another 912,000 ordinary shares were issued at the revised price of RM3.23.

The shares to be issued under the ESOS shall on allotment, rank pari passu in all respects with the existing issued shares of the Company at the time of allotment. Approvals for the ESOS have been obtained from the SC on 5 October 1993, the KLSE on 30 November 1993, the shareholders of TMB on 17 February 1994 and the Registrar of Companies on 5 April 1994.

As at 30 November 1997, 1,100,500 ordinary shares of RM1.00 each comprising 142,000 and 958,500 ordinary shares at the option price of RM4.54 and RM3.23 respectively, have been exercised. The balance of shares under the ESOS remaining unexercised as at 31 August 1997 is 561,500.

Details of the changes in the issued and paid-up share capital of TMB since incorporation are as follows:-

Date of allotment	No. of shares allotted	Consideration	Total issued and paid-up Capital RM
19.10.1990	2	Cash	2
20.05.1992	6,999,998	Issued as consideration for the acquisition of Trenggo Minerals Sdn Bhd	7,000,000
26.05.1992	8,000,000	Rights issue at par on the basis of 8 new ordinary shares for every 7 shares held	15,000,000

Date of allotment	No. of shares allotted	Consideration	Total issued and paid-up Capital RM
08.03.1994	3,333,000	Issued as consideration for the acquisition of Velosi (M) Sdn Bhd at RM3.75 per share	18,333,333
19.09.1994	90,000	ESOS	18,423,000
26.10.1994	28,000	ESOS	18,451,000
07.11.1994	4,000	ESOS	18,455,000
18.01.1996	20,000	ESOS	18,475,000
18.03.1996	230,000	ESOS	18,705,000
28.03.1996	5,000	ESOS	18,710,000
11.04.1996	27,712,500	Rights issue of new ordinary shares of RM1.00 each at an issue price of RM2.35 per share on the basis of 3 new shares for every 2 new shares held	46,422,500
02.05.1996	21,052,631	Issued as consideration for the acquisition of HOC at a price of RM3.80 per share	67,475,131
08.07.1996	257,500	ESOS	67,732,151
15.07.1996	100,000	ESOS	67,832,631
08.11.1996	290,000	ESOS	68,122,631
10.03.1997	15,000	ESOS	68,137,631
20.03.1997	13,000	ESOS	68,150,631
30.06.1997	48,000	ESOS	68,198,631

### 3. SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of TMB as at 29 August 1997 are as follows:-

Shareholders	Total no. of shares held			
	Direct	%	Indirect	%
RHB Merchant Nominees (Tempatan) Sdn Bhd	7,500,000	10.99	-	-
Zaharuddin bin Alias	6,781,315	9.94	* 3,750,000	5.50
Salehuddin bin Hashim	6,776,316	9.93	* 3,750,000	5.50

\* Indirectly held through RHB Merchant Nominees (Tempatan) Sdn Bhd

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4. **DIRECTORS**

The directors of TMB and their respective shareholdings in the Company as at 29 August 1997 are as follows:-

Name	← Total No. of shares held →				Nationality
	Direct	%	Indirect	%	
Salehuddin Hashim ( <i>Executive Chairman</i> )	6,776,316	9.93	*3,750,000	5.50	Malaysian
Zaharuddin Alias ( <i>Deputy Chairman</i> )	6,781,315	9.94	*3,750,000	5.50	Malaysian
Razman Ariffin ( <i>Managing Director</i> )	15,000	0.02	-	-	Malaysian
Liow Hoon Ing ( <i>Executive Director</i> )	55,000	0.08	-	-	Malaysian
Dato' Abdul Rahman Nasir	-	-	-	-	Malaysian
Chee Peck Kiat @ Chee Peck Jan	1,745,000	2.56	-	-	Malaysian
Dato' Abdul Rahman @ Abdul Ghani Awang	992,000	1.45	-	-	Malaysian
Dr Nabil Tan Sri Abdul Jalil	1,406,000	2.06	-	-	Malaysian
George Anthony Dass David	-	-	-	-	Malaysian
Bruce Thompson	-	-	-	-	American
Yang Ying Chieh ( <i>alternate to Liow Hoon Ing</i> )	-	-	-	-	Malaysian
Shahril Ridza Ridzuan ( <i>alternate to Salehuddin bin Hashim</i> )	-	-	-	-	Malaysian
Farriz Fakhani Mashudi ( <i>alternate to Razman Ariffin</i> )	-	-	-	-	Malaysian

\* Indirectly held through RHB Merchant Nominees (Tempatan) Sdn Bhd

5. **SUBSIDIARY AND ASSOCIATED COMPANIES**

As at 30 November 1997, the subsidiary companies and associated companies of TMB are as follows:-

Name of Company	Place of incorporation	Paid-up Capital	Direct /deemed interest %	Principal activity
Hercules Offshore Corporation	United States of America	USD18,034,384	100	Contract drilling and workover services for oil and gas companies
Trenggo Minerals Sdn Bhd	Malaysia	RM1,000,000	100	Manufacture of barite powder
Velosi (M) Sdn Bhd	Malaysia	RM2,700,000	70	Provision of quality assurance and control, general inspection, corrosion monitoring and manpower supply services to the oil and gas industry
Doyan Oceanic Holdings Sdn Bhd	Malaysia	RM1,000,000	70	Investment holding
Trenergy Enterprise Sdn Bhd	Malaysia	RM1,000,000	51	Investment holding
Trenergy FPSO Sdn Bhd	Malaysia	RM15,000,000	100	The management and operation of FPSO

Name of Company	Place of incorporation	Paid-up Capital	Direct /deemed interest %	Principal activity
Trenergy SMT/MDC Sdn Bhd	Malaysia	RM2	100	Dormant
Trenergy Marine Sdn Bhd	Malaysia	RM2	100	Dormant
Trenergy Cement Sdn Bhd	Malaysia	RM2	100	Dormant
Trenergy Gas Sdn Bhd	Malaysia	RM500,000	100	Ceased operations on 31 October 1995
Trenergy Infrastructure Sdn Bhd	Malaysia	RM2	100	Dormant
<i>Subsidiary of Trenggo Minerals Sdn Bhd</i>				
Trenggo Quarry Sdn Bhd	Malaysia	RM4,487,500	100	Engaged in quarry activities
<i>Subsidiaries of Velosi (M) Sdn Bhd</i>				
Prudence Metals Sdn Bhd	Malaysia	RM3,000,000	99.7	Iron casting, foundry and engineering works
Velosi Europe Limited	England	GBP200	51	Provision of quality assurance and control, general inspection, corrosion monitoring and manpower supply services to the oil and gas industry
Velosi (HK) Limited	Hong Kong	HKD50,000	100	Provision of quality assurance and control, general inspection, corrosion monitoring and manpower supply services to the oil and gas industry
Velosi International EC	Bahrain	BDD2,000	51	Provision of quality assurance and control, general inspection, corrosion monitoring and manpower supply services to the oil and gas industry
Velosi QA Sdn Bhd	Malaysia	RM20,000	51	Provision of quality assurance and control, general inspection, corrosion monitoring and manpower supply services to the oil and gas industry
Velosi Engineering Services Sdn Bhd	Malaysia	RM30,000	70	Provision of quality assurance and control, general inspection, corrosion monitoring and manpower supply services to the oil and gas industry
Total Automation Services (S) Pte Ltd	Republic of Singapore	SD1,000,000	68	Maintenance servicing, commission and repair of all apparatus and appliances of every description for marine, offshore and land based purposes



Name of Company	Place of incorporation	Paid-up Capital	Direct /deemed interest %	Principal activity
Velosi (B) Sdn Bhd	Brunei Darussalam	BD100	70	Provision of quality assurance and control, general inspection, corrosion monitoring and manpower supply services to the oil and gas industry
Velosi Steel Sdn Bhd	Malaysia	RM1,000,000	99.7	Iron casting, foundry and engineering works
Velosi TUV Bayern LLC	Emirate of Abu Dhabi	D150,000	51	Provision of services of certification, engineering and inspection, onshore and/or offshore
Velosi America LLC	United States of America	USD1,000	50.49	Provision of quality assurance and control, general inspection, corrosion monitoring and manpower supply services to the oil and gas industry
Saudi Velosi Company Ltd	Kingdom of Saudi Arabia	SR1,000,000	51	Provision of inspection services for machinery and special equipment used in the production of crude oil and gas pipelines
Velosi TUV Gulf WLL	The State of Qatar	QR200,000	38.25	Provision of oilfield inspection and certification services
Velosi (S) Pte Ltd	Republic of Singapore	SD60,000	59.5	Testing, servicing and repairing and maintenance of hydraulic control system, equipment machineries and accessories
Total Automation Services Engineering (M) Sdn Bhd	Malaysia	RM100,000	68	Maintenance servicing, commission and repair of all apparatus and appliances of every description for marine, offshore and land based purposes
Total Plant Maintenance Pte Ltd (formerly known as Total Systems and Controls Pte Ltd)	Republic of Singapore	SD20,000	68	Business of manufacturing, licensing, leasing, servicing, installing and all aspects of marine automation tools and accessories
<b>Subsidiaries of Doyan Oceanic Holdings Sdn Bhd</b>				
Oceanic Freightways Sdn Bhd	Malaysia	RM105,000	100	Sea freight forwarding and customs clearance
Oceanic Freightways Warehouse Sdn Bhd	Malaysia	RM20,000	100	Packing and warehousing
Airoceanic Express Sdn Bhd	Malaysia	RM80,002	100	Airfreight forwarding and transportation
Doyan Oceanic Sdn Bhd	Malaysia	RM60,000	100	Sea freight forwarding and customs clearance

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Name of Company	Place of incorporation	Paid-up Capital	Direct /deemed interest %	Principal activity
<i>Subsidiary of Trenergy Enterprise Sdn Bhd</i>				
Trenergy Gas (Vietnam) Pte Ltd	Vietnam	RM2,078,544	100	Manufacture of disposable gas lighters

## 6. PROFIT AND DIVIDEND RECORD

Set out below are the audited results of TMB for the five years ended 31 December 1996 and the unaudited results for the six (6) month period ended 30 June 1997:-

	Year ended 31 December					Unaudited 6 month ended
	1992 RM'000	1993 RM'000	1994 RM'000	1995 RM'000	1996 RM'000	30.06.1997 RM'000
Turnover	10,720	6,917	68,021	71,402	198,303	124,191
Profit before tax	1,524	513	5,014	3,612	16,060	15,638
Taxation	(110)	(74)	(875)	(1,188)	(7,588)	(6,570)
Profit after tax before minority interest	1,414	439	4,139	2,423	8,472	9,068
Pre-acquisition profits	(1,246)	-	(752)	-	(3,117)	-
Minority interest	-	-	(880)	(926)	(510)	(1,456)
Profit after tax and minority interest	168	439	2,508	1,497	4,845	7,612
Share capital (RM'000)	15,000	15,000	18,445	18,445	68,123	68,199
Gross earnings per share (sen)	1.85	3.42	18.33	14.56	18.25	* 41.60
Net earnings per share (sen)	1.12	2.92	13.60	8.12	7.11	* 22.32
Gross dividend (%)	-	-	-	5.0	5.0	n/a

\* Annualised

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## 7. HISTORICAL SHARE PRICE

The monthly high and low prices of TMB shares traded on the KLSE for the past twelve (12) months to October 1997 are as follows:-

	High RM	Low RM
<b>1996</b>		
November	8.15	6.10
December	6.40	5.30
<b>1997</b>		
January	6.60	5.50
February	7.00	5.50
March	11.10	6.90
April	9.80	6.05
May	8.60	5.95
June	7.90	6.60
July	6.85	5.70
August	6.80	3.52
September	5.55	3.50
October	4.44	2.92
November	3.48	1.31

The last transacted price on 9 May 1997 (being the last traded price prior to the announcement of the Proposed Disposal)

---

6.85

The last transacted price on 9 December 1997 (being the latest practicable trading day prior to the printing of this Circular)

---

1.67

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## INFORMATION ON HOC

### 1. HISTORY & BUSINESS

HOC was incorporated in the State of Texas, USA on 25 June 1993 to acquire and take over the assets, liabilities and business of a similar named company which was earlier incorporated in the State of Delaware, under the name of Hercules Offshore Drilling Corporation in 1981.

HOC is an independent marine contractor specialising in workover, completion and shallow water drilling services for the oil and gas wells located in the Gulf of Mexico. It currently operates ten rigs (of which eight are owned and two are leased under a bareboat charter) in the Gulf of Mexico.

The old HOC was first incorporated as Hercules Offshore Drilling Corporation ("HOD") in the State of Delaware, USA in 1981. When it first commenced business in the 1980s, HOD was engaged in the workover, completion and shallow water drilling service in the Gulf of Mexico. Its first shareholders were a group of investors with General Electric Company and Memorial Drive Trust as the largest stockholders. It changed its name to Hercules Offshore Corporation in 1988 when Elders IXL made a substantial investment in the company.

By the time HOC was incorporated in the State of Texas, it had become one of the leading marine contractors in the country specialising in the three areas mentioned above. The success was attributable to a team of dedicated staff and rig crew who offered years of combined experience in restoring and improving offshore well production, providing completion and workover services as well as side-tracking and drilling. Moreover, the financial stability provided by HOD's major shareholders, namely Elders IXL and General Electric Corporation, had built up a good reputation and name for the company. The latter is a very crucial element in attracting and retaining customers as it is of prime concern to the offshore operators to ensure that their marine contractors are financially sound enough to see their multi-million dollar oil and gas projects through.

HOC's customer base consists primarily of independent and major oil companies that operate oil and gas drilling services in the Gulf of Mexico and include Chevron USA, Inc., Philips Petroleum Company, Texaco Exploration and Production Co., Union Oil of California (Unocal) Exploration Corporation, Marathon Oil Company, AGIP, Samedan, OEDC, Burlington, Greenhill and Forcenergy.

Details of the main assets of HOC are set out below:-

Name	Type/Description	Status	* Unaudited net book value as at 30 June 1997 USD million	* Jefferies' market valuation (Re-sale value) USD million
Rig 2	1000 HP Self Erecting Platform Workover/Drilling Rig	HOC owned	3.4	6.0
Rig 3	1000 HP Self Erecting Platform Workover/Drilling Rig	HOC owned	5.9	6.0
Rig 10	650 HP Self Erecting Platform Workover Rig	HOC owned	1.6	4.0
Rig 11	Bethlehem 200' Jackup Workover Rig	HOC owned	7.5	26.
Rig 14	Baker Marine 85' Big Foot Shallow Water Design, Independent leg. Slot Jackup Workover/Drilling Rig	HOC owned	7.0	11.0

Name	Type/Description	Status	* Unaudited net book value as at 30 June 1997 USD million	* Jefferies' market valuation (Re-sale value) USD million
Rig 15	Baker Marine 100' Big Foot III Shallow Water Design. Independent leg. Slot Jackup Workover/Drilling Rig	HOC owned	9.8	15.0
Rig 20	Bethlehem. 110' Mat Supported Cantilever Jackup Workover/Drilling Rig	HOC owned	5.4	22.0
Rig 21	Baker Marine 125' Mat-Supported Cantilever Jackup Workover/Drilling Rig	HOC owned	10.4	22.0
Rig 22	Marathon Le Tomeau 173' Mat Supported Cantilever Jackup Workover/Drilling Rig	Leased under a bareboat charter	na	na
Rig 25	Marathon Le Tomeau 215' Independent Leg. Cantilever Jackup Workover/Drilling Rig	Leased under a bareboat charter	na	na

\* Source : Jefferies Valuation Report

## 2. SHARE CAPITAL

As at 30 November 1997, HOC has an issued and paid-up capital of USD22,034,384 comprising 18,034,384 ordinary shares of USD1.00 each and 4,000,000 Series A redeemable preferred shares of USD1.00 each.

The changes in the issued and paid-up capital of HOC since incorporation are as follows:-

Date of allotment	No. of shares allotted	Consideration	Total issued and paid-up Capital USD
25.06.1993	2	Subscriber's shares	2
11.01.1994	18,034,382	Capitalisation of dividend	18,034,384
21.12.1996	* 4,000,000	Capitalisation of advances from parent company	22,034,384

\* preferred share capital

## 3. SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of HOC as at 30 November 1997 are as follows:-

Shareholder	No. of shares held	%
TMB	22,034,384	100.0

#### 4. DIRECTORS

The Directors of HOC and their respective shareholdings in HOC as 30 November 1997 are as follows:-

Name	No. of share held	%	Nationality
Tom Seward	-	-	American
Tom Hord	-	-	American
Bruce Thompson	-	-	American
Razman Ariffin	-	-	Malaysian
Liow Hoon Ing	-	-	Malaysian
Salehuddin bin Hashim	-	-	Malaysian
Kenneth Tischler	-	-	American

#### 5. SUBSIDIARY AND ASSOCIATED COMPANIES

At present, HOC has no subsidiary or associated companies.

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#### 6. PROFIT AND DIVIDEND RECORD

The profit and dividend record for HOC based on its audited accounts for the period from inception of 25 June 1993 to 31 December 1993, three (3) financial years ended 31 December 1996 and the six (6) months period ended 30 June 1997 are set out below:-

	Period Ended 31 Dec 1993 USD'000	Year Ended 31 Dec 1994 USD'000	Year Ended 31 Dec 1995 USD'000	Year Ended 31 Dec 1996 USD'000	Unaudited 6 month period ended 30.06.97 USD'000
Revenue	12.017	25.853	28.868	47.414	32.025
Profit before tax	3.969	3.152	1.025	6.658	6.213
Taxation	(1.347)	(1.156)	(430)	(2.784)	(2.112)
Net Income	2.622	1.996	596	3.874	4.101
Share capital (USD'000) *	18.034	18.034	18.034	22.034	22.034
Gross earnings per share (cents)	# 44.02	17.48	5.68	30.21	# 56.39
Net earnings per share (cents)	# 29.08	11.07	3.31	17.58	# 37.22

\* Including preferred share capital  
# annualised

The accounts of HOC prior to its incorporation in Texas on 25 June 1993 were not audited and therefore not available for comparative purposes. It is not mandatory in the USA for a company's accounts to be audited unless it is a public listed company

There were no dividends nor extraordinary items arising during the period under review

The decrease in profit before tax in the financial year ended 31 December 1995 was due to poor market conditions and increased costs incurred by HOC in the operations and maintenance of its assets

The increase in revenue and profit before tax in the financial year ended 31 December 1996 were attributed by improved market conditions and demand for drilling services in the Gulf of Mexico.

8. **Latest Audited Accounts**

The audited accounts and the auditors' report thereon of HOC for the financial year ended 31 December 1996 are provided below:-

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APPENDIX III

**CONSOLIDATED PROFIT ESTIMATE AND FORECAST OF TMB FOR THE FINANCIAL YEARS  
ENDING 31 DECEMBER 1997 AND 1998 RESPECTIVELY, TOGETHER WITH THE UNDERLYING  
ASSUMPTIONS AND AUDITORS' LETTER THEREON**

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PD 000321



PROFORMA CONSOLIDATED BALANCE SHEET OF TMB AS AT 31 DECEMBER 1996  
TOGETHER WITH THE AUDITORS' LETTER THEREON

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VALUATION LETTER FROM JEFFERIES

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**FURTHER INFORMATION****1. Responsibility Statement**

This Circular has been seen and approved by the Directors of TMB and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

**2. Written Consents**

The written consents of RHB Sakura Merchant Bankers Berhad, Messrs Arthur Andersen & Co. and Jefferies & Company Inc. to the inclusion in this Circular of their names, references and where relevant, their letters and reports, in the form and context in which they appear have been given before the issuance of this Circular and have not subsequently been withdrawn.

**3. Material Contracts**

Save as disclosed below, TMB and its subsidiaries have not entered into any material contracts (not being contracts entered into in the ordinary course of business) during the two (2) years immediately preceding the date of this submission:-

- (a) A supplemental agreement dated 19 December 1995 between the Company and Salehuddin bin Hashim and Zaharuddin bin Alias to accept the revisions, terms and conditions imposed by the SC in respect of the acquisition of HOC;
- (b) An underwriting agreement dated 17 January 1996 between TMB, RHB Sakura, Rashid Hussain Securities Sdn Bhd, Malaysian International Merchant Bankers Berhad, Perdana Merchant Bankers Berhad and Jupiter Securities Sdn Bhd for the underwriting of up to 16,223,250 new ordinary shares of RM1.00 each to be issued pursuant to a rights issue of 27,712,500 new ordinary shares of RM1.00 each in TMB at an issue price of RM2.35 per share for an underwriting commission of 1% on the issue price of RM2.35 per share;
- (c) A sale and purchase agreement dated 25 September 1996 between Velosi (M) Sdn Bhd (a subsidiary of TMB) (as 'Purchaser') and Mr Richard Willenbrock, Mr Ngai Kok Leong and Mr Goh Yong Kwee (as 'Vendors'), for the acquisition of 680,000 ordinary shares of S\$1.00 each representing 68% equity interest in Total Automation Services (S) Pte Ltd, for a cash consideration of S\$6,120,000; and
- (d) S&P Agreement dated 9 May 1997 entered into between TMB and Parker for the Proposed Disposal.

**4. Material Litigation**

TMB and its subsidiary companies are not involved in any material litigation either as plaintiff or defendant and the Directors of TMB do not have any knowledge of any proceedings pending or threatened against the Company or its subsidiaries or of any facts likely to give rise to any proceedings which may materially affect the position or business of the Company and any of its subsidiaries.

5. **Management Agreements and Service Contracts**

Save for the following, there are no other service contracts or management agreements entered into between TMB and its Directors as at the date of this Circular:-

- (i) a service contract, entered into on 1 July 1996, for a period of three (3) years between Razman Ariffin and TMB; and
- (ii) a service contract, entered into on 1 October 1996, for a period of three (3) years between Liow Hoon Ing and TMB

6. **Documents available for inspection**

Copies of the following documents may be inspected at the registered office of TMB during normal business hours on any working day from the date of this Circular up to and including the date of the EGM:-

- (i) Memoranda and Articles of Association of TMB and HOC;
- (ii) The letters of consent referred to in paragraph 2 above;
- (iii) Material contracts referred to in paragraph 3 above;
- (iv) Valuation Letter and Valuation Report carried out by Jefferies & Co. on the business and assets of HOC;
- (v) The audited accounts of TMB for the three (3) years ended 31 December 1996 and the unaudited six (6) month period ended 30 June 1997;
- (vi) The audited accounts of HOC for the period from inception of 25 June 1993 to 31 December 1993, three (3) years ended 31 December 1996 and the unaudited accounts for the six (6) month period ended 30 June 1997;
- (vii) The proforma consolidated balance sheets of TMB as at 31 December 1996 and the auditors' letter thereon; and
- (viii) The proforma consolidated profit estimate and forecast of TMB for the financial years ending 31 December 1997 and 1998 and the auditors' letter thereon.

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**NOTICE OF EXTRAORDINARY GENERAL MEETING**

NOTICE IS HEREBY GIVEN, that an Extraordinary General Meeting of the Company will be held at the Cempaka Raya Room, Hotel Equatorial, Jalan Sultan Ismail, 50250 Kuala Lumpur on Saturday 27 December 1997 at 11 a.m. for the purpose of considering and if thought fit, passing the following Ordinary Resolutions:-

**ORDINARY RESOLUTION 1**

**Proposed disposal of 18,034,384 ordinary shares of US\$1.00 each and 4,000,000 preferred shares of US\$1.00 each in Hercules Offshore Corporation to Parker Drilling Company for a cash consideration of US\$145,000,000**

"THAT approval be and is hereby given to the Company to dispose of 18,034,384 ordinary shares of US\$1.00 each and 4,000,000 preferred shares of US\$1.00 each in Hercules Offshore Corporation ("HOC") to Parker Drilling Company ("Parker") free from all encumbrances and claims whatsoever and with all rights, benefits and advantages attaching thereto for a cash consideration of US\$145,000,000 subject to such adjustment upwards or downwards arising from (i) the amount of principal, interest, fees, prepayment, penalties and other amounts owed by HOC to certain selected persons stated in the Conditional Sale and Purchase Agreement dated 9 May 1997 entered into between the Company and Parker ("S&P Agreement"), and assumed by Parker on completion of the S&P Agreement; (ii) any payment made by Parker to the selected lenders of HOC; (iii) previously paid or incurred capital expenditure and projected capital expenditure, to be independently verified; and (iv) adjustments on completion of the S&P Agreement for the working capital of HOC greater or less than US\$4 million AND THAT the Company do hereby confirm, approve and ratify the S&P Agreement AND THAT FURTHER the Directors of the Company be and are hereby authorised to take all steps and enter into all other agreements, arrangements, undertakings, indemnities, transfers, assignments and guarantees with any party or parties in order to complete the aforesaid sale and purchase transaction."

**ORDINARY RESOLUTION 2**

**Proposed Rescission of the Profit Guarantee on Hercules Offshore Corporation given to the Company by Encik Salehuddin bin Hashim and Encik Zaharuddin bin Alias**

"THAT subject to the passing of Ordinary Resolution 1, approval be and is hereby given for the Profit Guarantee (as contained in the Supplemental Agreement dated 19 December 1995 amending the terms of an agreement dated 31 December 1993 in relation to the acquisition of Hercules Offshore Corporation ("HOC") by the Company) given to the Company by Encik Salehuddin bin Hashim and Encik Zaharuddin bin Alias to guarantee that the annual profits of HOC shall amount to at least RM15.0 million annually for a period of five years after the completion of the acquisition of HOC, be rescinded AND THAT FURTHER the Directors of the Company be and are hereby authorised to take all steps and enter into all other agreements or arrangements with any party or parties in order to complete the aforesaid rescission."

**BY ORDER OF THE BOARD**

Liow Hoon Ing  
Zainal Abidin Ahmad  
Company Secretaries

Kuala Lumpur,  
11 December 1997

*Notes:-*

*A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act 1965 shall not apply to the Company.*

*To be valid the proxy form duly completed must be deposited at the registered office of the Company not less than forty-eight (48) hours before the time for holding the meeting.*

*A member shall be entitled to appoint more than one proxy to attend and vote at the same meeting. The provisions of Section 149(1)(c) of the Companies Act 1965 shall not apply to the Company.*

*Where a member appoints more than one (1) proxy the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*

*If the appointer is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.*

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**TRENERGY (MALAYSIA) BHD**

(Company No. 206596-H)  
(Incorporated in Malaysia)

**FORM OF PROXY**

Number of shares held

I/We .....

of

being a member/members of TRENERGY (MALAYSIA) BHD, hereby appoint .....

of .....

or failing whom, .....

of .....

as my/our proxy, to vote for me/us on my/our behalf at the Extraordinary General Meeting ("EGM") of the Company to be held at Cempaka Raya Room, Hotel Equatorial, Jalan Sultan Ismail, 50250 Kuala Lumpur on Saturday 27 December 1997 at 11 a.m. and at any adjournment thereof, on the following resolutions referred to in the Notice of EGM by indicating an "X" in the space provided below:-

ORDINARY RESOLUTION	FOR	AGAINST
1. Proposed Disposal of Hercules Offshore Corporation		
2. Proposed Rescission of the Profit Guarantee		

Dated this.....day of.....1997

.....  
Signature or Common Seal of Shareholder(s)

**Notes:-**

*A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act 1965 shall not apply to the Company.*

*To be valid the proxy form duly completed must be deposited at the registered office of the Company not less than forty-eight (48) hours before the time for holding the meeting.*

*A member shall be entitled to appoint more than one proxy to attend and vote at the same meeting. The provisions of Section 149(1)(c) of the Companies Act 1965 shall not apply to the Company.*

*Where a member appoints more than one (1) proxy the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*

*If the appointer is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.*

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of earliest event reported: May 8, 1997

PARKER DRILLING COMPANY

(Exact name or registrant as specified in its charter)

Delaware	1-7573	73-0618660
(State of other jurisdiction of incorporation)	Commission File Number	(IRS Employer Identification No.)
Eight East Third Street, Tulsa, Oklahoma	74103	
(Address of principal executive offices)	(Zip Code)	

Registrant's telephone number, include area code: (918) 585-8221

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Item 5: Other Events

On May 9, 1997, Parker Drilling Company (the "Company") executed a definitive stock purchase agreement to acquire all of the outstanding capital stock of Hercules Offshore Corporation, a Texas corporation ("HOC"), for \$145 million in cash. Also on May 9, 1997, the Company executed a definitive stock purchase agreement to acquire all of the outstanding capital stock of Hercules Rig Corp., a Texas corporation ("HRC"), for \$50 million in cash. Set forth in Exhibit 99 hereto are certain financial statements of HOC and HRC.

Item 7: Financial Statements, Pro-Forma Financial Information and Exhibits

(c) Exhibits

- 2.1 Stock Purchase Agreement dated May 9, 1997 by and among the Company, Parker Drilling Offshore Company and Trenergy (Malaysia) BHD. (incorporated by reference to Exhibit 10(n) to the Company's Quarterly Report on Form 10-Q for the three months ended May 31, 1997).
  - 2.2 Stock Purchase Agreement dated May 9, 1997 by and among the Company, Parker Drilling Offshore Company and Reshid & Lee Nominees SDN, BHD. (incorporated by reference to Exhibit 10(o) to the Company's Quarterly Report on Form 10-Q for the three months ended May 31, 1997).
- 99 Certain Financial Statements of HOC and HRC.

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PD 000330

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PARKER DRILLING COMPANY

By: .....

Robert L. Parker Jr.  
President and Chief Executive Officer

Date: July 2, 1997

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PD 000331

EXHIBIT 99.1

HERCULES OFFSHORE CORPORATION  
AND PREDECESSOR COMPANY

FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 1996  
TOGETHER WITH AUDITORS' REPORT

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09/30/2010

PD 000332

DECLASSIFIED 09/30/2010

## REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholder of  
Hercules Offshore Corporation:

We have audited the accompanying balance sheet of Hercules Offshore Corporation (a Texas corporation) (the Company) as of December 31, 1996, and the related statement of income, shareholder's equity and cash flows of the Predecessor Company for the four months ended April 30, 1996, and the statement of income, shareholder's equity and cash flows of the Company for the eight months ended December 31, 1996. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Notes 1, 2 and 6 of the accompanying financial statements, the Company and the Predecessor Company have extensive transactions and relationships with their parent company, Trenergy (Malaysia) Berhad, their previous owners and certain affiliated companies including Hercules Rig Corp. (HRC), Hercules Marine Services Corporation (HMSC) and Hercules Capital Corporation (HCC). Because of these relationships, the terms of these transactions are not necessarily indicative of those that would result from transactions among wholly unrelated parties.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hercules Offshore Corporation as of December 31, 1996, and the results of the operations and the cash flows of the Predecessor Company for the four months ended April 30, 1996, and the results of the operations and the cash flows of the Company for the eight months ended December 31, 1996, in conformity with generally accepted accounting principles.

As explained in Note 1 to the consolidated financial statements, the ownership of the Predecessor Company was acquired by Trenergy (Malaysia) Berhad in a purchase transaction effective as of April 30, 1996. The acquisition was accounted for as a purchase and, accordingly, the purchase price was allocated to the assets and liabilities of the Predecessor Company based on their estimated fair values at April 30, 1996. Accordingly, the financial statements of Hercules Offshore Corporation are not comparable to those of the Predecessor Company.

Houston, Texas  
June 27, 1997

PD 000333

DECLASSIFIED  
09/30/2010HERCULES OFFSHORE CORPORATION  
AND PREDECESSOR COMPANY

## BALANCE SHEETS

<Table>  
<Caption>

	December 31, 1996	September 30, 1997
		(Unaudited)
ASSETS		
<S>	<C>	<C>
CURRENT ASSETS:		
Cash	\$ 2,441,356	\$ 497,776
Accounts receivable-		
Trade	7,089,358	13,014,380
Other	1,121,320	152,530
Receivables from HMSC (Note 6)	811,761	604,186
Prepaid insurance	939,276	1,886,939
Other current assets	261,204	268,186
Deferred taxes	476,527	503,092
Total current assets	13,140,802	16,927,089
RIGS, EQUIPMENT AND PROPERTY, net	62,618,036	69,677,337
EXCESS OF COST OVER ESTIMATED FAIR VALUE OF NET ASSETS ACQUIRED, net	17,262,846	16,259,809
OTHER ASSETS, net	750,474	876,678
RECEIVABLES FROM HRC (Note 6)	1,667,974	2,179,798
RECEIVABLES FROM TREENERGY	--	2,561,333
	\$ 95,440,132	\$108,482,213
LIABILITIES AND SHAREHOLDER'S EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 8,445,026	\$ 13,745,449
Current portion of long-term debt	1,500,000	1,543,200
Current portion of capital lease obligation	1,613,794	343,598
Note payable	672,874	1,631,910
Amounts due to affiliates (Note 6)-		
Former shareholders	679,091	172,991
Trenergy (Note 1)	1,550,336	--
Total current liabilities	14,461,121	17,437,148
REVOLVING LINE OF CREDIT	5,311,749	8,669,419
CAPITAL LEASE OBLIGATION	52,031	--
LONG-TERM DEBT	13,500,000	12,395,323
DEFERRED INCOME TAXES	7,605,340	10,133,012
Total liabilities	40,930,241	48,634,902
COMMITMENTS AND CONTINGENCIES		
REDEEMABLE PREFERRED STOCK	4,000,000	4,000,000
SHAREHOLDER'S EQUITY:		
Common stock, \$1.00 par value, 18,034,384 shares authorized, issued and outstanding	18,034,384	18,034,384
Additional paid-in capital	29,965,616	29,965,616
Retained earnings	2,509,891	7,847,311
Total shareholder's equity	50,509,891	55,847,311
	\$ 95,440,132	\$108,482,213

&lt;/Table&gt;

The accompanying notes are an integral part of these financial statements.

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HERCULES OFFSHORE CORPORATION  
AND PREDECESSOR COMPANY

STATEMENTS OF INCOME

<Table>  
<Caption>

	Predecessor Company	Hercules Offshore Corporation		
	Four Months Ended April 30, 1996	Eight Months Ended December 31, 1996	Five Months Ended September 30, 1996	Nine Months Ended September 30, 1997
			(Unaudited)	(Unaudited)
	<C>	<C>	<C>	<C>
OFFSHORE DRILLING AND WORKOVER REVENUES	\$ 12,513,294	\$ 34,900,936	\$ 21,290,071	\$ 50,640,128
COSTS AND EXPENSES:				
Cost of operations	9,833,416	22,500,008	14,081,010	31,191,351
General and administrative	1,310,306	3,029,117	2,022,762	4,289,185
Depreciation and amortization	660,749	3,269,308	1,894,859	4,340,582
	11,804,471	28,798,433	17,998,631	39,821,128
INCOME FROM OPERATIONS	708,823	6,102,503	3,291,440	10,819,000
INTEREST EXPENSE	471,087	1,079,942	602,088	1,534,748
NET INCOME BEFORE INCOME TAXES	237,736	5,022,561	2,110,685	9,284,252
INCOME TAX EXPENSE	98,845	2,512,670	717,121	3,676,832
NET INCOME	\$ 138,891	\$ 2,509,891	\$ 1,393,564	\$ 5,607,420

</Table>

The accompanying notes are an integral part of these financial statements.

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HERCULES OFFSHORE CORPORATION  
AND PREDECESSOR COMPANY

STATEMENTS OF SHAREHOLDER'S EQUITY

<Table>  
<Caption>

	Common Stock		Additional Paid-In Capital	Retained Earnings
	Shares	Amount		
<S>	<C>	<C>	<C>	<C>
PREDECESSOR COMPANY:				
Balance, December 31, 1995	18,034,384	\$ 18,034,384	\$ -	\$ 5,214,267
Net income	-	-	-	138,891
Balance, April 30, 1996	18,034,384	18,034,384	-	5,353,158
HERCULES OFFSHORE CORPORATION:				
Purchase of stock by Tranergy	-	-	29,965,616	(5,353,158)
Net income	-	-	-	2,509,891
Balance, December 31, 1996	18,034,384	18,034,384	29,965,616	2,509,891
Dividends (unaudited)	-	-	-	(270,000)
Net income (unaudited)	-	-	-	5,607,420
Balance, April 30, 1997 (unaudited)	18,034,384	\$ 18,034,384	\$ 29,965,616	\$ 7,847,311

</Table>

The accompanying notes are an integral part of these financial statements.

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HERCULES OFFSHORE CORPORATION  
AND PREDECESSOR COMPANY  
STATEMENTS OF CASH FLOWS

<Table>  
<Caption>

	Predecessor Company	Hercules Offshore Corporation		
	Four Months Ended April 30, 1996	Eight Months Ended December 31, 1996	Five Months Ended Sept. 30, 1996	Nine Months Ended Sept. 30, 1997
		(Unaudited)		(Unaudited)
<S>	<C>	<C>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	\$ 138,891	\$ 2,509,891	\$	\$ 5,607,420
Adjustments to reconcile net income to net cash provided by operating activities-				
Depreciation and amortization	660,749	3,269,308		4,340,852
Deferred income taxes	442,975	1,619,536		2,501,107
(Increase) decrease in-				
Accounts receivable	527,784	(2,301,359)		(4,956,232)
Prepays and other assets	(80,767)	(689,440)		(1,219,358)
Increase in-				
Accounts payable and accrued liabilities	1,359,060	707,604		5,030,523
Net cash provided by operating activities	3,048,692	5,115,540		11,304,312
CASH FLOWS FROM INVESTING ACTIVITIES:				
Capital expenditures	(3,204,324)	(14,186,178)		(9,562,776)
Net payments from (advances to) HRC	(239,369)	214,583		(511,924)
Net payments from (advances to) HMSC	18,908	(31,175)		207,575
Net cash used in investing activities	(3,424,785)	(14,002,770)		(9,867,125)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from line of credit, net	523,266	1,731,037		3,357,670
Proceeds from issuance of notes payable	795,287	4,222,808		-
Payments on notes payable	(581,084)	(9,748,327)		(959,036)
Proceeds from issuance of long-term debt	-	15,000,000		-
Payments on long-term debt	-	-		(1,125,000)
Payments on capital leases	(429,935)	(1,861,456)		(1,954,704)
Net borrowings from (payments to) Trenergy	-	1,150,336		(4,111,669)
Net borrowings from (payments to) former shareholders	202,076	(3,432,538)		(506,100)
Proceeds from issuance of preferred stock	-	4,000,000		-
Net cash provided by (used in) financing activities	509,610	11,061,860		(3,380,767)
NET INCREASE (DECREASE) IN CASH	133,517	2,174,630		(1,943,580)
CASH, beginning of period	133,209	266,726		2,441,356
CASH, end of period	\$ 266,726	\$ 2,441,356	\$	\$ 497,776
SUPPLEMENTAL CASH FLOW INFORMATION:				
Cash paid during the period for-				
Interest	\$ 248,739	\$ 359,615	\$	\$
Taxes	435,000	700,000		
SUPPLEMENTAL NONCASH INVESTING AND FINANCING ACTIVITIES:				
Assets acquired through debt financing or under capital lease	1,671,241	2,306,758		696,000
Dividends accrued on preferred stock	-			270,000

</Table>

The accompanying notes are an integral part of these financial statements.



HERCULES OFFSHORE CORPORATION  
AND PREDECESSOR COMPANY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1996DECLASSIFIED  
09/30/2010

## 1. BUSINESS AND ORGANIZATION:

Hercules Offshore Corporation (Hercules, HOC or the Company) is primarily engaged in contract drilling and workover services for oil and gas companies operating in the United States Gulf of Mexico.

The Company was incorporated in Texas in June 1993 to own and operate the offshore assets of a predecessor company. On September 1, 1993, Adway International Limited (Adway) acquired Hercules in an asset purchase for \$13,780,000. On December 31, 1993, the owners of Adway entered into an agreement with Trenergy (Malaysia) Berhad (Trenergy), a Malaysia public company, to sell their 100 percent ownership of the Company to Trenergy. Adway was owned by two individuals to which, on January 11, 1994, Adway made a dividend of the shares of the Company. The Predecessor Company is also Hercules Offshore Corporation. On April 30, 1996, the Trenergy agreement was consummated, whereby Trenergy acquired 100 percent ownership of Hercules from the two shareholders for cash of \$16 million and approximately 21.5 million shares of Trenergy's common stock which had an estimated value of \$32 million resulting in a total estimated purchase price of approximately \$48 million. The acquisition was accounted for as a purchase, and the purchase price paid of approximately \$48 million was "pushed down" to the financial statements of the Company and allocated to the assets and liabilities based on their estimated fair values at April 30, 1996. The purchase price paid exceeded net book value by approximately \$28 million which was allocated to rigs, equipment and property, deferred tax liabilities and costs in excess of estimated fair value of net assets acquired. As a result, the accompanying financial statements are presented on two different cost bases. Because of these differences, the accompanying financial statements for the period prior to the acquisition are not comparable to those of the subsequent period.

The following table compares the balance sheet of the Predecessor Company at April 30, 1996, prior to and subsequent to the acquisition of the outstanding stock of the Predecessor Company by Trenergy:

&lt;Table&gt;

&lt;Caption&gt;

	Prior to Acquisition	Adjustments	Subsequent to Acquisition
		(In Thousands)	
<S>	<C>	<C>	<C>
Current assets	\$ 8,391,179	\$ -	\$ 8,391,179
Rigs, equipment and property, net	38,484,927	9,785,114	48,270,041
Excess of cost over estimated fair value of net assets acquired	-	18,154,283	18,154,283
Other noncurrent assets	1,229,825	-	1,229,825
Total assets	\$ 48,105,931	\$ 27,939,397	\$ 76,045,328
Current liabilities	\$ 15,754,547	\$ -	\$ 15,754,547
Long-term debt	6,384,901	-	6,384,901
Deferred income taxes	2,578,941	3,326,939	5,905,880
Shareholder's equity	23,387,542	24,612,458	48,000,000
Total liability and shareholder's equity	\$ 48,105,931	\$ 27,939,397	\$ 76,045,328

&lt;/Table&gt;

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The adjustments reflected in the table above result primarily from allocating the purchase price to rigs, equipment and property, deferred tax liabilities and costs in excess of estimated fair value of net assets acquired.

The following unaudited pro forma statements of income present the results of operations for the year ended December 31, 1996, as if the acquisition of the Predecessor Company by Trenergy had occurred on January 1, 1996, and assumes that there were no other changes in the operations of the Predecessor Company. The unaudited pro forma results are not necessarily indicative of the financial results that might have occurred had the transaction included in the pro forma statements actually taken place on January 1, 1996 nor are they indicative of future results.

<Table>  
<Caption>

	Predecessor Company, January 1, 1996, Through April 30, 1996	Hercules Offshore Corporation, May 1, 1996, Through December 31, 1996	Pro Forma Adjustments, Increase (Decrease)	Combined Pro Forma, Year Ended December 31, 1996
	(Unaudited)			
<S>	<C>	<C>	<C>	<C>
Offshore drilling and workover revenues	\$ 12,513,294	\$ 34,900,936	\$ -	\$ 47,414,230
Costs and expenses	11,804,471	28,798,433	698,874	41,301,778
Income from operations	708,823	6,102,503	(698,874)	6,112,452
Interest expense	471,087	1,079,942	-	1,551,029
Net income before income taxes	237,736	5,022,561	(698,874)	4,561,423
Income tax expense (benefit)	98,845	2,512,670	(86,073)	2,525,442
Net income	\$ 138,891	\$ 2,509,891	\$ (612,801)	\$ 2,035,981

</Table>

The pro forma adjustments primarily represent additional depreciation and amortization expense and the related income tax expense effects.

The former shareholders of Hercules have guaranteed to Trenergy that the Company will achieve a designated level of earnings, as defined, for each of the five years following the closing of the sale. Should this guaranteed level not be achieved by Hercules, the former shareholders of the Company have agreed to remit a portion of the purchase price to Trenergy. As of December 31, 1996 no amounts were payable pursuant to this Agreement.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

### Revenue Recognition

Revenue from drilling operations under daywork contracts is recognized when earned; expenses on such contracts are charged to operations as incurred. Revenues consist primarily of day rates charged for the rigs plus other contract costs for mobilization fees and reimbursement for certain rig operating expenses.

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# Major Suppliers, Customers, Credit Risk and Liquidity

Four suppliers individually accounted for approximately 22 percent, 21 percent, 15 percent and 10 percent, respectively, of the Predecessor Company's total purchases for the four months ended April 30, 1996, and two suppliers individually accounted for approximately 22 percent and 19 percent, respectively, of the Company's total purchases for the eight months ended December 31, 1996. The Company currently buys a majority of its equipment and supplies from these suppliers; however, management believes alternate sources of supply are available on comparable terms.

Two customers individually accounted for approximately 26 percent and 20 percent, respectively, of the Predecessor Company's offshore drilling and workover revenues for the four months ended April 30, 1996, and 28 percent and 11 percent, respectively, of the Company's offshore drilling and workover revenues for the eight months ended December 31, 1996. In the opinion of management, the loss of any individual customer would not have a material adverse effect on the Company's financial position or results of its operations.

A majority of the Company's trade receivables are from customers who are primarily engaged in the petroleum industry. This concentration of customers in one industry may impact the Company's overall exposure to credit risk, either positively or negatively, in that customers may be similarly affected by changes in economic conditions. The Company performs ongoing credit evaluations of its customers and does not generally require collateral in support of these trade receivables.

The Company's liquidity should be considered in light of the significant fluctuations in demand experienced by drilling contractors as rapid changes in oil and gas producers' expectations and budgets occur. These fluctuations can rapidly impact the Company's liquidity as supply and demand factors directly affect utilization and day rates, which are the primary determinants of cash flow from the Company's operations.

Hercules believes that its available funds, together with cash generated from operations, will be sufficient to fund its capital and debt service requirements for the remainder of 1997. Future cash flows are subject to a number of uncertainties, particularly the condition of the oil and gas industry and the related drilling activity in the United States Gulf of Mexico.

## Rigs, Equipment and Property

The estimated useful lives used in determining depreciation rates and the recorded cost amounts of various assets associated with drilling operations as of December 31, 1996, are as follows:

<Table>  
 <Caption>

	Useful Lives (In Years)		
<S>		<C>	<C>
Drilling and workover rigs and equipment	4-15	\$	64,732,586
Furniture, fixtures and other	4		203,327
Less- Accumulated depreciation			(2,317,877)
		\$	62,618,036
			=====

</Table>

Included in property, plant and equipment at December 31, 1996, are approximately \$3,789,999 of assets held under capital leases.

Depreciation is calculated using the straight-line method over the estimated useful asset lives, net of estimated salvage values. During the four months ended April 30, 1996 and the eight months ended December 31, 1996, the Predecessor Company and the Company recorded depreciation expense of \$660,749 and \$2,317,877, respectively. During the four months ended April 30, 1996, and the eight months ended December 31, 1996, and for the nine months ended September 30, 1997 (unaudited), the Predecessor Company and the Company

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equipment including approximately \$243,000, \$947,000 and \$571,000 (unaudited), respectively, of payroll-related and other costs of the Company's management which management believes are directly related to the refurbishment of their rigs and equipment. Expenditures for maintenance and repairs are charged to expense as incurred.

In July 1996, the Company purchased a nonoperative jack-up drilling rig (Rig 14) for \$2.3 million and began refurbishment of the rig. The Company incurred approximately \$2.0 million during 1996 and \$4.0 million during the first nine months of 1997 in connection with the refurbishment and estimates that the cost to complete the refurbishment will be approximately \$4 million. The cost of Rig 14 was included in rig equipment in the amounts of \$4,449,880 and \$8,410,960 at December 31, 1996, and September 30, 1997 (unaudited), respectively. The Company is currently funding capital expenditures related to the continuing rig refurbishment out of operating cash flows. Management of the Company believes that financing is available if needed for the completion of the rig refurbishment, although no assurances can be made that the Company will be able to obtain any financing. During 1997, the Company entered into an agreement with a shipyard to refurbish Rig 14 which management expects to be completed in December, 1997. During 1996 and through June 1997, the Company substantially refurbished a second jack-up drilling rig, which had previously been damaged for which approximately \$7.6 million of costs, net of insurance proceeds of \$1.3 million, was capitalized. This was the Rig 3 project which has been completed (June '97). Also during 1996, the Company and the Predecessor Company performed various enhancements to several rigs in its fleet including the installation of two topdrives and various enhancements to the rigs and drilling systems.

During the four months ended April 30, 1996, and the eight months ended December 31, 1996, an affiliate of the Predecessor Company and the Company, Hercules Marine Services Corporation (HMSC) (see Note 6), billed the Predecessor Company and the Company approximately \$264,000 and \$1,184,000, respectively, for refurbishment work performed on various rigs owned by the Company.

In September, 1997, the Company received notice from Cliff's Drilling to purchase Rig 1 from the Company pursuant to the terms of the Company's lease agreement with Cliff's Drilling (unaudited). In October, 1997, Cliff's Drilling purchased Rig 1 from the Company for a purchase price of \$4,250,000 and the Company recognized a gain on the sale of approximately \$660,000 in October, 1997 (unaudited). The Company loaned \$2,000,000 of the proceeds from the sale to its parent Trenergy (Notes 5 and 6). The lease agreement between the Company and Cliff's Drilling calls for day rates of \$2,750 and accordingly the Predecessor Company and the Company recognized day rate revenues of \$844,000 and \$544,000 during the four months ended April 30, 1996 and the eight months ended December 31, 1996, respectively and the Company recognized revenues of \$748,000 during the nine months ended September 30, 1997 (unaudited).

#### Cost in Excess of Estimated Fair Value of Assets Acquired

Cost in excess of estimated fair value of net assets acquired is amortized on a straight-line basis over the estimated period benefited, which management of the Company has deemed to be the average remaining life of drilling and workover rigs and equipment at April 30, 1996, of approximately 13 years. Management of the Company evaluates the realizability of cost in excess of estimated fair value of assets acquired as events or circumstances indicate a possible inability to recover its carrying amount. Accumulated amortization is \$891,437 at December 31, 1996.

#### Deferred Costs

Hercules has incurred costs and paid fees in connection with various financing arrangements (see Notes 4 and 5). These costs, primarily legal fees, underwriters' costs and loan commitment fees, have been deferred and are included in other assets at December 31, 1996, and are being amortized into the results of operations over the term of the related financing instruments. Accumulated amortization of deferred costs is \$62,669 at December 31, 1996.

#### Income Taxes

The Company follows the provisions of Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes".

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## Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## Unaudited Interim Financial Information

The unaudited interim financial statements as of September 30, 1997, and for the nine months ended September 30, 1997, are unaudited, and certain information and footnote disclosures, normally included in financial statements prepared in accordance with generally accepted accounting principles, have been omitted. In the opinion of management, all adjustments, consisting only of normal recurring adjustments, necessary to fairly present the financial position, results of operations and cash flows with respect to the interim financial statements, have been included. The results of operations for the interim periods are not necessarily indicative of the results for the entire fiscal year.

3. ACCOUNTS PAYABLE  
AND ACCRUED LIABILITIES:

Accounts payable and accrued liabilities consist of the following at December 31, 1996:

Accounts payable	\$ 5,202,199
Accrued management bonuses	846,000
Other accrued liabilities	2,396,827
	-----
	\$ 8,445,026
	-----

4. REVOLVING LINE OF CREDIT  
AND NOTE PAYABLE:

The Company has a revolving line-of-credit agreement with a bank under which borrowings are secured by trade receivables and bear interest payable monthly at rates based on the bank's prime rate plus .5 percent (8.75 percent at December 31, 1996). The agreement provides for a \$6,500,000 line of credit subject to limitations based on amounts of eligible accounts receivable outstanding. In 1997, the Company and the bank extended the maturity of the line of credit to January 31, 1999; accordingly, the balances outstanding at December 31, 1996, have been reflected as long-term debt. Additionally in 1997, the amount of credit available was increased to \$8,000,000 and then subsequently \$9,000,000, and the interest rate was reduced to the bank's prime rate (unaudited). At December 31, 1996 and September 30, 1997, the amount of credit available was reduced by a letter of credit of \$187,983 and \$283,000 (unaudited), respectively, representing a security deposit for insurance. Borrowings pursuant to the line of credit at December 31, 1996, and April 30, 1997 (unaudited), were \$5,311,749 and \$7,716,749 (unaudited), respectively. Approximately \$500,000 was available under this facility at December 31, 1996. At April 30, 1997, there was no availability under this facility based upon the Company's calculation of its eligible borrowing base (unaudited).

The Company has financed a portion of its insurance premiums through a note payable. The principal amount remaining at December 31, 1996, on this note was \$672,874.

## 5. LONG-TERM DEBT:

During the fourth quarter of 1996, the Company undertook a private debt placement offering whereby the Company had intended to raise \$26 million. In December 1996, the Company borrowed a total of \$15 million from a financial institution as described below. In October 1997, the Company borrowed an additional \$8 million from a financial institution of which the Company loaned \$5 million to its Parent Company, Trenergy (note 6). In addition, management of the Company believes that the remaining \$3 million of financing is available if needed, although no assurances can be made that the Company will be able to obtain this financing.

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At December 31, 1996, the Company's long-term debt of \$15 million payable to a financial institution (the Lender) bore interest at 4-1/4 percent plus the three-month average LIBOR rate. Interest is due and payable quarterly together with principal payments based on a percentage (ranging from 2.5 percent to 3.75 percent during the term of the loan) of advances funded by the financial institution. The indenture pursuant to which the \$15 million was borrowed requires the Company to maintain certain financial statement covenants, including a minimum tangible net worth, as defined, of \$20,200,000 plus 50 percent of net income subsequent to June 30, 1996, and maximum annual capital expenditures ranging from \$3.0 million to \$4.5 million. The amount borrowed is secured by all the drilling and workover rigs and equipment of the Company. The net proceeds of the \$15 million indebtedness incurred were used to repay (a) mortgage notes payable in connection with two of the Company's drilling rigs totaling approximately \$7.9 million, (b) indebtedness of approximately \$4.5 million outstanding pursuant to the Company's revolving credit agreement, (c) to repay shareholder advances totaling \$2 million and (d) general working capital purposes.

Scheduled principal payments on long-term debt are as follows:

1997	\$ 1,500,000
1998	1,557,600
1999	1,615,200
2000	1,846,200
2001	2,077,200
Thereafter	6,403,800
	-----
	\$ 15,000,000
	-----

In October, 1997 (unaudited) the Company borrowed an additional \$8 million of long term debt from the Lender which bears an interest rate of defaults and waiver.

#### 6. RELATED-PARTY TRANSACTIONS:

##### Hercules Rig Corp.

Hercules Rig Corp. (HRC) and the Company are affiliated through a common board of directors and management. The accounts of HRC are not combined with those of the Company for financial reporting purposes.

Prior to 1994, Hercules leased Rig 25 from a third party and had paid a deposit of \$1 million toward the purchase of the rig. During 1994, Hercules sold an option to purchase Rig 25 to HRC for \$100,000 and HRC purchased the rig from the third party for \$9.5 million (the total purchase price was \$10.5 million, including the \$1 million deposit paid by Hercules). Hercules has recorded the \$1.1 million as a receivable from HRC. The Company entered into a two-year bareboat charter agreement with HRC, providing for a day rate of \$2,500. Effective January 1, 1996, the bareboat charter was amended to provide for a day rate of \$4,250 through December 22, 1996. Amounts due to the Company pursuant to the incremental day rate totaling \$626,500 pursuant to this amendment have been recorded as a reduction of the Company's receivable from HRC at December 31, 1996. Once the term of this amendment expired, the lease was extended on a month-to-month basis at a day rate of \$2,500 which will continue until terminated with one month's notice by either party. The indenture pursuant to which the \$15 million of borrowings has been made from the Lender prohibits HRC from increasing the day rates to HOC (see Note 5). The Company has accounted for the lease as an operating lease. During 1996 and prior years, the Company periodically incurred and paid certain capital improvements related to Rig 25 and has recorded approximately \$1.2 million of these costs as accounts receivable from HRC, which results in an unsecured net receivable balance from HRC of \$1,667,974 on the December 31, 1996, balance sheet.

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During 1995, HRC incurred indebtedness of \$4 million (secured by Rig 25) and loaned the \$3.7 million net proceeds to the former shareholders of the Company who in turn loaned the \$3.7 million to the Company pursuant to an interest-free loan. All interest expense and amortization of loan costs were initially recorded by HRC. Subsequent to December 31, 1996, and effective for the year ended December 31, 1996, HRC charged its shareholder who in turn charged the former shareholders of HOC who in turn charged the Company \$349,467 of interest expense which HOC has recorded and reflected as a payable to the former shareholders of HOC and HRC has recorded as interest income and a receivable from the former shareholders of HOC as of December 31, 1996. On December 3, 1996, the Company repaid approximately \$3,541,000 of its loan balance of approximately \$3,754,000 directly to Tufton Oceanic Finance Corp. on behalf of HRC which constituted full repayment of HRC's outstanding loan balance. The Company's loan repayment was deemed to have been paid to the Company's former shareholders and as contributed capital to HRC from its shareholder. The amount of the Company's loan balance in excess of the amount paid to its former shareholders of approximately \$213,000 has been included in the \$679,091 payable to former shareholders in the Company's December 31, 1996, balance sheet of which \$200,000 was paid by the Company to Trenergy who in turn paid the former shareholders during 1997 (unaudited).

Following is a summary of HRC's financial statements for the year ended December 31, 1996 (in thousands):

Current assets	\$ 350
Drilling rigs and equipment, net	10,793
Other	12
	-----
	\$ 11,155
	-----
Current liabilities	\$ 242
Amounts due to HOC	1,668
Equity	9,245
	-----
	\$ 11,155
	-----
Revenues	\$ 1,542
Net income	\$ 401

Effective January 1, 1997, HRC entered into an agreement with an affiliate of PLM Equipment Leasing Corporation of California (PLM) to bareboat-charter another jack-up rig (Rig 22) at a day rate of \$5,500 for three years with an obligation to purchase the rig for \$12,000,000 at the end of the lease term. Also effective January 1, 1997, the Company entered into a three-year agreement to bareboat-charter this jack-up rig from HRC at a day rate of \$3,164 and has no obligation to purchase the rig from HRC. HRC has accounted for its lease as a capital lease in 1997. The Company has accounted for its lease with HRC as an operating lease in 1997. In December 1996, the Company received an advance of \$1 million from Trenergy which the Company paid to PLM as a deposit on Rig 22. In January 1997, after entering into the lease with HRC, PLM returned the \$1 million deposit to the Company who repaid the \$1 million advance from Trenergy. At December 31, 1996, the Company had a \$1 million deposit included in other accounts receivable and \$1 million included in the total of \$1,550,336 due to Trenergy.

Subsequent to December 31, 1996 and through September 30, 1997, the Company advanced an additional \$512,000 to HRC for the payment of vendor invoices primarily related to capital expenditures on Rig 22 and 25 resulting in a net receivable balance of \$2,179,798 net of collections made from HRC by HOC as of September 30, 1997 (unaudited).

Hercules Marine Services Corporation

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Hercules Marine Services Corporation (HMSC) is owned by Adway (see Note 1). HMSC and Hercules share a common board of directors and management. The accounts of HMSC are not combined with those of the Company for financial reporting purposes. During 1996, HMSC performed rig refurbishment work the most substantial portion of which was

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services to HMSC and allocates a portion of its general and administrative costs to HMSC. The amounts allocated to HMSC by the Predecessor Company and the Company totaled \$133,719 for the four months ended April 30, 1996, and \$397,572 for the eight months ended December 31, 1996, respectively. At December 31, 1996, Hercules has a receivable balance of \$811,761 from HMSC which includes \$636,751 of principal and \$175,000 of accrued interest on the outstanding balance which the Company recorded as interest income during 1996. Following is a summary of HMSC's unaudited financial statements for the year ended December 31, 1996 (in thousands):

Current assets	\$ 134
Fixed assets, net	510
	-----
	\$ 644
	-----
Current liabilities including net payables to the Company of approximately \$812	\$ 1,670
Stockholder deficit	(1,026)
	-----
	\$ 644
	-----
Revenues	\$ 2,183
Net loss	\$ (295)

Subsequent to December 31, 1996 and through September 30, 1997, HMSC billed the Company approximately \$1,899,000 for additional rig refurbishment related primarily to Rig 14 (unaudited). In addition, pursuant to the management services agreement, the Company allocated general and administrative expenses and other working capital loans were made to HMSC by HOC of approximately \$1,663,000 (including repayments), resulting in a net receivable balance of \$604,186 which includes \$401,738 of principal and \$202,448 of accrued interest at September 30, 1997 (unaudited).

#### Hercules Capital Corporation

-----

Hercules Capital Corporation (HCC) is owned by an officer of the Company, who also serves as an officer of HRC and HMSC. Hercules makes quarterly payments to HCC of approximately \$30,000 as set forth in a management services agreement between Hercules and HCC. At December 31, 1996, Hercules has a \$60,000 payable, representing amounts payable to HCC for the last two quarters of 1996. In addition, Hercules has recorded a \$100,000 payable representing a payment due HCC for services rendered by an officer of the Company during 1994. Subsequent to December 31, 1996, approximately \$63,000 of these payables were paid plus approximately \$60,000 for the quarterly payments related to the first two quarters of 1997 resulting in a payable to HCC of approximately \$97,000 at April 30, 1997 (unaudited).

#### Other Transactions With Affiliates

-----

During 1995, the Company's former shareholders advanced approximately \$700,000 to the Company for working capital purposes. The amount advanced is noninterest-bearing and had no designated repayment date. During 1996, Trenergy paid approximately \$400,000 to the former shareholders to discharge \$400,000 of the Company's obligation to the former shareholders. Accordingly, the Company's December 31, 1996, balance sheet reflects \$400,000 in amounts due to affiliates (Trenergy). Also, included in amounts due to affiliates at December 31, 1996 (Trenergy) is approximately \$150,000 in management fees for the year ended December 31, 1996, charged to the Company and paid by the Company in 1997 (unaudited). During the nine months ended September 30, 1997, Trenergy billed the Company and the Company recorded as expense and amount payable to affiliates arrangement fees of \$150,000 for the period January 1 through July 1, 1997 (unaudited). Included in the \$679,091 balance payable to former shareholders at December 31, 1996,

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is the remaining \$300,000 noninterest-bearing advance received in 1995 together with the \$213,511 balance outstanding on the \$3.7 million loan made to the Company in 1995, and the \$349,467 of interest expense from the former shareholders (see Hercules Rig Corp.) which HOC has recorded, net of \$183,887 of various expenses paid on behalf of the former shareholders of HOC as an offset to the payable at December 31, 1996. Subsequent to December 31, 1996, (a) Trenergy paid \$300,000 to the former shareholders to discharge the remaining \$300,000 of shareholder advances received by the Company during 1995 (unaudited), (b) the Company repaid \$700,000 to Trenergy in April 1997 (unaudited) and (c) the Company loaned \$1.8 million to Trenergy at an interest rate of 6.5 percent pursuant to an agreement maturing June 30, 1998 (unaudited), (d) in October, 1997 the Company loaned \$2 million to Trenergy from the proceeds from the sale of Rig 1 (Note 2) pursuant to an agreement maturing \_\_\_\_\_ and bearing an interest rate of \_\_\_\_\_ percent (unaudited) and (e) in October 1997, the Company loaned \$5 million to Trenergy from the proceeds of a loan from the lender (Note 5) pursuant to an agreement maturing \_\_\_\_\_ and bearing an interest rate of \_\_\_\_\_ percent.

#### 7. REDEEMABLE PREFERRED STOCK:

During 1996, the Company received \$4 million in advances from Trenergy to be used for working capital purposes and rig improvements. On December 21, 1996, these advances were exchanged for 4 million shares of the Company's newly issued A Series preferred stock. The A series of preferred stock was created out of the authorized but unissued shares of the capital stock of the Company. The series was designated Series A Nonvoting Cumulative Preferred Stock, consisting of 4 million shares of no par value. The Series A preferred stock shareholders are entitled to receive dividends out of any funds legally available for that purpose at the annual dividend rate of \$.09 on each outstanding share of such stock. No dividends may be declared and paid until on or after January 1, 2005, but such dividends shall accrue and become cumulative from the date of original issuance, whether or not earned or declared. As of September 30, 1997, \$270,000 of dividends to Trenergy has been accrued (unaudited). At the option of the board of directors of the Company, the shares of Series A preferred stock may be redeemed in whole or in part on or after January 1, 2005, by the Company, at a redemption price of \$1.00 per share plus all unpaid and accumulated dividends to such date.

#### 8. INCOME TAXES:

Actual income tax expense differs from income tax expense computed by applying the U.S. federal statutory corporate tax rate of 34 percent to income before income tax as follows:

	Four Months Ended April 30, 1996	Eight Months Ended December 31, 1996
Tax provision at the statutory rate	34%	34%
Increase resulting from-		
Nondeductible amortization	-	8
Other nondeductible expenses	6	2
U.S. withholdings	2	2
Other	-	4
	42%	50%
	--	--

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The tax effect of significant temporary differences representing deferred tax assets and liabilities at December 31, 1996, is as follows:

<Table>	
<S>	
Deferred tax liabilities-	
Deferred tax liability related to drilling and workover rigs	
and equipment	\$10,837,366
Other	508,437
	-----
	11,345,803
Deferred tax assets-	
Tax net operating loss carryforwards	2,345,451
Alternative minimum tax credit carryforward	1,395,012
Other	476,527
	-----
	4,216,990
	-----
Deferred tax liability, net	\$ 7,128,813
	-----

</Table>

Under the Internal Revenue Code, a change in ownership of the Company can cause a limitation in the ability of the Company to use existing net operating losses (NOLs) and credit carryforwards in any one year. In the opinion of management, any limitation caused by the change in ownership which occurred in 1996 will not materially limit the availability of NOLs.

#### 9. COMMITMENTS AND CONTINGENCIES:

Hercules is currently involved in various lawsuits and other contingencies arising out of operations in the normal course of business. In the opinion of management, uninsured losses, if any, in excess of those accrued will not have a material adverse effect on Hercules' financial position or results of operations.

#### Lease Commitments

Certain noncancelable leases are classified as capital leases, and the leased assets are included in equipment, net, under drilling and workover rigs in net rigs, equipment and property balance in the Company's December 31, 1996, balance sheet. Other leases are classified as operating leases and are not capitalized.

At December 31, 1996, the future minimum lease payments under operating and capital leases are as follows:

<Table>	
<Caption>	
	Operating Leases
	Capital Leases
	-----
<S>	<C>
1997	\$ 198,406
1998	187,786
1999	183,161
2000	45,265
	-----
Total	\$ 614,618
	-----
Less- Amounts representing interest	(119,473)
	-----
Net present value	1,665,825
Less- Current portion of capital lease obligation	(1,613,794)
	-----
Long-term capital lease obligation	\$ 52,031
	-----

</Table>

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The total amount of rent expense recognized for the four months ended April 30, 1996, and for the eight months ended December 31, 1996, was \$45,201 and \$152,545, respectively. Additionally, for the four months ended April 30, 1996, and the eight months ended December 31, 1996, the Predecessor Company and the Company recognized bareboat charter hire expense of approximately \$702,000 and \$1,504,000, respectively, of which approximately \$528,000 and \$1,014,000, respectively, related to Rig 25 for each period.

Effective January 1, 1997, the Company entered into a lease for Rig 22 from HRC (see Note 6). The Company's lease commitment for this rig is \$1,154,856 for each of the three years following January 1, 1997.

During 1997, the Company entered into an agreement with a shipyard, to refurbish Rig 14 which management expects will be completed in December, 1997. At September 30, 1997, the Company has incurred expenses of \$6,000,000 and estimates the cost to complete the refurbishment at \$4 million.

#### Self-Insurance

Hercules is self-insured for the deductible portion of its insurance coverage. In the opinion of management, adequate accruals have been made based on known and estimated exposures up to the deductible portion of Hercules' insurance coverages. Management believes that future claims and liabilities in excess of the amounts accrued are fully insured. Some of the Company's insurance provides for premium adjustments based on the claims experience of the Company and other participants of the insurance plan. Future events, claims or assessments may increase the Company's cost for this coverage. In the opinion of management, adequate accruals have been made based on known and estimated exposures.

#### Employment Agreements

Hercules has employment agreements with certain of its officers. The employment agreements with Hercules' officers provide for annual salaries and discretionary bonuses to be determined by the board of directors. In addition, they provide for guaranteed payments if the officers are terminated without cause.

During 1996, six employees participated in a management bonus plan sponsored by the Company. The plan provides for bonuses to be paid based on a percentage, determined at the discretion of the board of directors at the beginning of the year, of the Company's income before income taxes, as defined. In 1996, the Company recognized bonus expense of \$835,500. For the nine months April 30, 1997, the Company recognized \$300,000 in expense under a bonus plan structured in a similar manner based on a lower percentage of income before income taxes, as defined (unaudited).

#### 401(k) Plan

Hercules has a defined contribution 401(k) savings plan for its employees meeting certain eligibility requirements. The plan provides that an employee may contribute up to 15 percent of his salary and Hercules may elect to match such contributions at its discretion up to the first 6 percent of an employee's eligible compensation contributed to the plan. For the four months ended April 30, 1996, and the eight months ended December 31, 1996, the Predecessor Company and the Company incurred \$125,226 and \$340,920, respectively in such contributions.

#### 10. SUBSEQUENT EVENT (UNAUDITED):

On May 9, 1997, Trenergy entered into a definitive stock purchase agreement to sell all of the outstanding stock of HOC for \$145 million to Parker Drilling Company. The agreement is conditional upon Parker Drilling Company's acquisition of HRC for \$50 million and is terminable if the transaction fails to close by December 31, 1997.

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EXHIBIT 99.2

HERCULES OFFSHORE CORPORATION  
FINANCIAL STATEMENTS  
DECEMBER 31, 1995 AND 1994

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# REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholder of  
Hercules Rig Corp.:

We have audited the accompanying balance sheets of Hercules Rig Corp. (a Texas corporation) (the Company) as of December 31, 1995 and 1996, and the related statements of income, shareholder's equity and cash flows for the period from inception, April 6, 1994, through December 31, 1994, and for each of the two years in the period ended December 31, 1996. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 4 of the accompanying financial statements, the Company has extensive transactions and relationships with an affiliated company, Hercules Offshore Corporation (HOC). Because of this relationship, the terms of the transactions are not necessarily indicative of those that would result from transactions among wholly unrelated parties. The Company has chartered its two rigs to HOC at day rates which based on current circumstances and assuming no other changes, are insufficient to enable the Company to meet its obligations of \$12 million maturing on January 3, 2000, and the Company's note payable to HOC of approximately \$1.7 million maturing on January 1, 1999.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hercules Rig Corp. as of December 31, 1995 and 1996, and the results of its operations and its cash flows for the period from inception, April 6, 1994, through December 31, 1994, and for the two years in the period ended December 31, 1996, in conformity with generally accepted accounting principles.

Houston, Texas  
June 27, 1997.

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## HERCULES RIG CORP.

## BALANCE SHEETS

&lt;Table&gt;

&lt;Caption&gt;

	December 31		September 30,
	1995	1996	1997
			(Unaudited)
ASSETS			
<S>	<C>	<C>	<C>
CURRENT ASSETS:			
Cash	\$ 100	\$ 325	\$ 71
Receivables from HMSC, net of valuation allowance (Note 4)	31,140	-	-
Receivable from shareholder	-	349,467	349,467
Total current assets	31,240	349,792	349,538
RIGS AND EQUIPMENT, net of accumulated depreciation	11,048,870	10,793,409	24,757,123
OTHER ASSETS	153,340	11,901	7,934
	\$ 11,233,450	\$ 11,155,102	\$ 25,114,595
	*****	*****	*****
LIABILITIES AND SHAREHOLDER'S EQUITY			
CURRENT LIABILITIES:			
Accounts payable and accrued liabilities	\$ 487,851	\$ 241,968	\$ 298,759
Note payable	3,817,822	-	-
Current portion of capital lease obligation	-	-	1,729,257
Total current liabilities	4,305,673	241,968	2,028,016
AMOUNTS DUE TO HOC (Note 4)	1,624,454	1,667,974	2,179,798
CAPITAL LEASE OBLIGATION, long term	-	-	12,347,471
Total liabilities	5,930,127	1,909,942	16,555,285
COMMITMENTS AND CONTINGENCIES			
SHAREHOLDER'S EQUITY:			
Common stock	1,000	1,000	1,000
Additional paid-in capital	6,090,953	9,632,112	9,632,112
Accumulated (deficit)	(788,630)	(387,952)	(1,073,798)
Total shareholders' equity	5,303,323	9,245,160	8,559,310
	\$ 11,233,450	\$ 11,155,102	\$ 25,114,595
	*****	*****	*****

&lt;/Table&gt;

The accompanying notes are an integral part of these financial statements.

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HERCULES RIG CORP.

STATEMENTS OF INCOME

<Table>  
<Caption>

	Period From Inception, April 6, 1994, Through December 31, 1994	Year Ended December 31		Nine Months Ended September 30	
		1995	1996	1996	1997
				(Unaudited)	
<S> REVENUES	<C> \$ 667,500	<C> \$ 912,500	<C> \$ 1,541,500	<C> \$ 1,154,875	<C> \$ 1,536,796
COSTS AND EXPENSES:					
Cost of operations	434,314	680,875	788,270	588,083	1,202,109
General and administrative	423,966	159,792	185,283	173,607	12,727
	858,280	840,667	973,553	761,690	1,214,836
INCOME (LOSS) FROM OPERATIONS	(190,780)	71,833	567,947	393,185	321,960
OTHER:					
Interest income	-	-	349,467	298,075	-
Interest expense	(262,041)	(407,642)	(516,736)	(417,564)	(1,007,806)
NET INCOME (LOSS) BEFORE INCOME TAXES	(452,821)	(335,809)	400,678	273,696	(685,846)
INCOME TAX EXPENSE	-	-	-	-	-
NET INCOME (LOSS)	\$ (452,821)	\$ (335,809)	\$ 400,678	\$ 273,696	\$ (685,846)

</Table>

The accompanying notes are an integral part of these financial statements.

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HERCULES RIG CORP.

STATEMENTS OF SHAREHOLDER'S EQUITY

<Table>  
<Caption>

	Common Stock		Additional Paid-In Capital	Accumulated Deficit
	Shares	Amount		
<S>	<C>	<C>	<C>	<C>
BALANCE AT INCEPTION, April 6, 1994	-	\$ -	\$ -	\$ -
ISSUANCE OF COMMON STOCK	1,000	1,000	5,249,000	-
NET LOSS	-	-	-	(452,821)
BALANCE, December 31, 1994	1,000	1,000	5,249,000	(452,821)
CAPITAL CONTRIBUTION	-	-	841,953	-
NET LOSS	-	-	-	(335,809)
BALANCE, December 31, 1995	1,000	1,000	6,090,953	(788,630)
CAPITAL CONTRIBUTION	-	-	3,541,159	-
NET INCOME	-	-	-	400,678
BALANCE, December 31, 1996	1,000	1,000	9,632,112	(387,952)
NET LOSS (unaudited)	-	-	-	(685,846)
BALANCE, September 30, 1997 (unaudited)	1,000	1,000	9,632,112	1,073,798

</Table>

The accompanying notes are an integral part of these financial statements.



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## HERCULES RIG CORP.

## STATEMENTS OF CASH FLOWS

<Table>  
<Caption>

	Period From Inception, April 6, 1994, Through December 31, 1994	Year Ended December 31		Nine Months Ended September 30	
		1995	1996	1996	1997
				(Unaudited)	
				<C>	<C>
<S>	<C>	<C>	<C>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net income (loss)	\$ (452,821)	\$ (335,809)	\$ 400,678	\$ 273,696	\$ (685,846)
Adjustments to reconcile net income (loss) to net cash provided by operating activities-					
Depreciation and amortization	437,527	821,487	964,039	755,641	1,206,076
(Increase) decrease in-					
Accounts receivable	(77,500)	77,500	-	31,140	-
Other assets	(25,599)	(271,565)	(34,330)	(34,330)	-
Amounts due from shareholders	-	-	(349,467)	(469,875)	-
Increase (decrease) in-					
Accounts payable and accrued liabilities	315,365	172,486	(245,883)	(304,049)	56,789
Net cash provided by operating activities	196,972	464,099	735,037	252,223	577,019
CASH FLOWS FROM INVESTING ACTIVITIES:					
Capital expenditures	(9,517,915)	(1,144,015)	(514,075)	(413,929)	(608,916)
Net borrowings from HOC	-	122,324	24,786	415,300	511,824
Net payments from (advances to) HMSC	(40,456)	9,316	31,140	-	-
Net cash (used in) provided by investing activities	(9,558,371)	(1,012,375)	(458,149)	1,363	97,092
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from issuance of common stock	5,250,000	-	-	-	1,690,426
Accretion of lease	-	-	-	-	-
Payments on long-term debt	-	(182,178)	(276,663)	(253,208)	-
Proceeds from long-term debt	-	4,000,000	-	-	-
Payments on capital leases	-	-	-	-	(1,170,607)
Net proceeds from (payments to) former shareholders	4,150,000	(3,308,047)	-	-	-
Net cash provided by (used in) financing activities	9,400,000	509,775	(276,663)	(253,208)	(480,181)
NET INCREASE (DECREASE) IN CASH	38,601	(38,501)	225	378	(254)
CASH, beginning of period	-	38,601	100	100	325
CASH, end of period	\$ 38,601	\$ 100	\$ 325	\$ 478	\$ 71
SUPPLEMENTAL CASH FLOW INFORMATION:					
Cash paid during the period for-					
Interest	\$ -	\$ 646,945	\$ 531,857	\$ 183,019	\$ -
SUPPLEMENTAL NONCASH INVESTING AND FINANCING ACTIVITIES:					
Assets acquired through debt financing or under capital lease	-	-	-	-	14,556,909
Assets acquired through purchases by HOC	1,100,000	402,130	18,734	15,531	-
Capital contributed by forgiveness of debt	-	841,953	3,541,159	-	-

&lt;/Table&gt;

The accompanying notes are an integral part of these financial statements.

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HERCULES RIG CORP.

NOTES TO FINANCIAL STATEMENTS

1. BUSINESS AND ORGANIZATION:

Hercules Rig Corp. (HRC or the Company) is engaged in the business of acquiring, through purchase or lease, offshore drilling and workover rigs and bareboat chartering the rigs to an affiliate, Hercules Offshore Corporation (HOC), who in turn utilizes the rigs in contract drilling and workover services for oil and gas companies operating in the United States Gulf of Mexico.

The Company was incorporated in Texas in April 1994 to acquire a jack-up rig (Rig 25) from Chiles Offshore Corporation (Chiles). Rig 25 had previously been chartered by HOC with an option to purchase the rig from Chiles. In April 1994, HRC was incorporated, purchased the right to acquire Rig 25 from HOC, purchased Rig 25 from Chiles and entered into a bareboat charter agreement with HOC (see Note 4). The outstanding stock of HRC is owned by Rashid & Lee, Nominees, a private limited company in Malaysia. Effective January 1, 1997, HRC entered into an agreement with an affiliate of PLM Equipment Leasing Corporation of California (PLM), whereby HRC is leasing, with an obligation to purchase, Rig 22 (see Note 4). Also effective January 1, 1997, HRC entered into an agreement to bareboat-charter Rig 22 to HOC for a period of three years.

2. SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES:

Revenue Recognition

Revenue under the bareboat charter agreements with HOC is recognized as the day rates are earned. In accordance with the agreements with HOC, HRC charges daily bareboat charter fees to HOC, regardless of whether the rigs are operated by HOC.

Major Suppliers, Customers,  
Credit Risk and Liquidity

Under the terms of the bareboat charter agreements between HOC and HRC, all rig operating costs are paid by HOC and any capital expenditures for rig refurbishment or maintenance expenses are borne by HRC.

HOC, HRC's only customer, is primarily involved in the contract drilling and workover industry and has as its customers companies primarily engaged in the petroleum, exploration and production industries. This concentration of customers in one industry may impact the Company's overall exposure to credit risk, either positively or negatively, in that customers may be similarly affected by changes in economic conditions.

The Company's liquidity should be considered in light of the significant fluctuations in demand experienced by drilling contracts as rapid changes in oil and gas producers' expectations and budgets occur. These fluctuations can rapidly impact the Company's liquidity as supply and demand factors directly affect utilization and day rates, which are the primary determinants of cash flow from the Company's operations. Based on current circumstances and assuming no other changes, the day rates charged to HOC for Rig 22 and Rig 25 are insufficient to enable the Company to meet its obligations of the \$12 million maturing on January 3, 2000 for Rig 22 (see Note 6) and the Company's note payable to HOC of approximately \$1.7 million maturing on January 1, 1999 (see Note 4).

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### Rigs, Equipment and Property

Depreciation is calculated using the straight-line method over the estimated rig asset life, net of estimated salvage value. At December 31, 1995 and 1996, Rig 25 was recorded at a cost of \$12,164,057 and \$12,696,865, respectively, net of accumulated depreciation of \$1,115,187 and \$1,903,456, respectively. Expenditures for settlements of rigs and equipment are capitalized as incurred. Expenditures for maintenance and repairs are charged to expense as incurred.

### Deferred Costs

In 1995, HRC incurred costs and paid fees in connection with various financing arrangements (see Note 3). These costs, primarily legal fees, underwriters' costs and loan commitment fees, were deferred and included in other assets at December 31, 1995, at a cost of \$271,565 net of accumulated amortization of \$135,415 and were being amortized into the results of operations through the date of loan repayment in December 1996. Also included in other assets are organizational costs incurred during the formation of the Company. These costs are being amortized on a straight-line basis over five years. At December 31, 1995 and 1996, organizational costs were recorded at a cost of \$25,599, net of accumulated amortization of \$8,409 and \$13,698, respectively. The Company recorded amortization expense of approximately \$3,000, \$141,000, and \$176,000 during the period from inception through December 31, 1994 and for the years ended December 31, 1995 and 1996.

### Income Taxes

The Company follows the provisions of Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes." Under SFAS No. 109, the tax provision is determined based upon the liability method in which deferred tax assets and liabilities are recognized based on differences between the financial statement and tax bases of assets and liabilities using enacted tax rates. SFAS No. 109 provides, in part, that a deferred tax asset shall be evaluated for realization based on a more-likely-than-not criteria.

### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### Interim Financial Information

The interim financial statements as of September 30, 1997, and for the nine months ended September 30, 1996 and 1997, are unaudited, and certain information and footnote disclosures, normally included in financial statements prepared in accordance with generally accepted accounting principles, have been omitted. In the opinion of management, all adjustments, consisting only of normal recurring adjustments, necessary to fairly present the financial position, results of operations and cash flows with respect to the interim financial statements have been included. The results of operations for the interim periods are not necessarily indicative of the results for the entire fiscal year.

### 3. SHAREHOLDER ADVANCES AND LONG-TERM DEBT:

In 1994, in connection with the original capitalization of the Company, the shareholder advanced \$9.4 million to the Company to fund the acquisition of Rig 25 from Chiles (see Note 4 for additional discussion of the purchase of Rig 25). Of this advance, \$5,250,000 was recorded as equity of the Company. The remaining \$4,150,000 was established as a payable to the shareholder pursuant to terms and conditions as set forth in a promissory note to the shareholder. HRC accrued interest on the note at prime resulting in accrued interest of \$446,623 through July 1995.

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In July 1995, the Company borrowed \$4,000,000 from Tufton Oceanic Finance Corp. (Tufton), secured by Rig 25, of which the \$3.7 million net proceeds were used to repay the accrued interest and debt to the Company's shareholder. As part of the agreement with the lender, HRC's remaining debt to its shareholder of \$841,953 was contributed to HOC as additional paid-in capital at that time. The \$4,000,000 note payable to Tufton was payable in monthly installments of principal and interest equal to the revenues earned by HRC on the bareboat charter of Rig 25. These payments were applied first to accrued interest with the remaining portion applied to principal. The balance of the note was due on July 14, 1996, which was subsequently extended through December 3, 1996. Interest on the note ranged from 12 percent to 15 percent. The remaining balance of approximately \$3,541,000 was repaid on December 3, 1996, from funds received as a capital contribution from the shareholder of HRC (see Note 4).

#### 4. RELATED-PARTY TRANSACTIONS:

##### Hercules Offshore Corporation

HOC and the Company are affiliated through a common board of directors and management. The accounts of HOC are not combined with those of the Company for financial reporting purposes.

Prior to 1994, HOC leased Rig 25 from a third party and had paid a deposit of \$1 million toward the purchase of the rig. During 1994, HOC sold the option to purchase Rig 25 to HRC for \$100,000 and HRC purchased the rig from the third party for \$9.5 million (the total purchase price was \$10.5 million, including the \$1 million deposit paid by HOC). HRC has recorded the \$1.1 million as a payable to HOC, which is included in the \$1,667,974 payable to HOC as of December 31, 1996. The Company entered into a two-year bareboat charter agreement with HOC, providing for a day rate of \$2,500. Effective January 1, 1996, the bareboat charter was amended to provide for a day rate of \$4,250 through December 22, 1996. Amounts due to the Company pursuant to the incremental day rate totaling \$626,500 pursuant to this amendment have been recorded as a reduction of the Company's payable to HOC at December 31, 1996. Once the term of this amendment expired, the lease was extended on a month-to-month basis at a day rate of \$2,500 which will continue until terminated with one month's notice by either party. During 1996 and prior years, HOC periodically incurred and paid certain capital improvements related to Rig 25. HRC has recorded an account payable to HOC for approximately \$1.2 million of these costs which has been reflected as an increase to the net account payable balance to HOC resulting in a net payable balance to HOC of \$1,667,974 on the December 31, 1996, balance sheet. The net payable to HOC matures on January 1, 1999.

During 1995, HRC borrowed \$4 million (secured by Rig 25) and used the \$3.7 million net proceeds to repay its shareholder for advances paid to HRC in 1994, who in turn loaned the proceeds to the former shareholders of HOC who in turn loaned \$3.7 million to HOC pursuant to an interest-free loan. All interest expense and amortization of loan costs were recorded by HRC. Subsequent to December 31, 1996, and effective for the year ended December 31, 1996, HRC charged its shareholder who in turn charged the former shareholders of HOC who in turn charged HOC \$349,467 of interest expense. HRC has recorded interest income and a receivable from the former shareholders of HOC as of December 31, 1996. On December 3, 1996, HOC repaid \$3,541,159 of its loan balance of approximately \$3,754,000 directly to Tufton on behalf of HRC as full repayment of HRC's outstanding loan balance. This loan repayment was deemed to have been paid to HOC's former shareholders and as contributed capital to HRC from its shareholder.

Effective January 1, 1997, HRC entered into an agreement with an affiliate of PLM Equipment Leasing Corporation of California (PLM) to bareboat-charter a jack-up rig (Rig 22) at a day rate of \$5,500 for three years with an obligation to purchase the rig for \$12,000,000 at the end of the lease term. Also effective January 1, 1997, the Company entered into a three-year operating lease agreement to bareboat-charter this jack-up rig to HOC at a day rate of \$3,164. The Company has accounted for its lease as a capital lease in 1997.

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## Hercules Marine Services Corporation

Hercules Marine Services Corporation (HMSC), a Malaysian-owned company, and HRC are affiliated through a common board of directors and management. The accounts of HMSC are not combined with those of the Company for financial reporting purposes.

Throughout 1994, the Company loaned various amounts to HMSC on an unsecured basis for working capital purposes. At December 31, 1996, the outstanding balance was \$420,401 and was noninterest-bearing and payable on demand at the option of the Company. The Company has fully reserved the unpaid balance.

### 5. INCOME TAXES:

The tax effect of significant temporary differences representing deferred tax assets and liabilities is as follows:

	1995	1996
Deferred tax liabilities-		
Deferred tax liability related to drilling and workover rigs and equipment	\$ 1,614,500	\$ 2,216,649
Deferred tax assets-		
Tax net operating loss carryforwards	1,768,358	2,590,554
Other	142,800	142,800
Valuation allowance	(296,658)	(516,705)
	1,614,500	2,216,649
Deferred tax liability, net	\$ -	\$ -

As of December 31, 1996, the Company has U.S. federal tax net operating loss (NOL) carryforwards of \$7,619,277 which are available to offset future taxable income. If not utilized, these NOL carryforwards will expire as follows: \$1,578,566 in 2009, \$3,622,487 in 2010 and \$2,418,224 in 2011. A valuation allowance of \$516,705 has been recorded to offset the related deferred tax assets due to the uncertainty of realizing loss carryforwards. Under the Internal Revenue Code, a change in ownership of the Company can cause a limitation in the ability of the Company to use existing NOL carryforwards in any one year.

### 6. COMMITMENTS AND CONTINGENCIES:

Management believes that the Hercules Company is currently not involved in any asserted litigation and is unaware of any threatened litigation. Management believes that the Company maintains an adequate level of liability insurance coverages. In the opinion of management, uninsured losses, if any, in excess of those accrued will not have a material adverse effect on the Company's financial position or results of operations.

#### Lease Commitments

Effective January 1, 1997, the Company entered into a lease for Rig 22. The Company's lease commitment for this rig is \$2,007,500 for each of the three years following January 1, 1997, and, in addition, HRC has an obligation to purchase the rig at any time on or prior to January 3, 2000. The rig may be purchased by the Company at its option in the first year of the lease for a purchase price of \$11 million. If the option is exercised by the Company in the second year, the purchase price will be \$11.5 million. If not previously purchased, HRC must purchase the rig in the third year of the lease agreement for \$12 million. HRC must give the lessor 90 days' notice of its intention to purchase the rig. During the 90-day period, HRC will continue to owe a daily bareboat charter fee payment of \$5,500. None of the bareboat charter fee payments by HRC reduce the lump-sum purchase price options or obligation of the rig. The lease obligation is secured by both Rig 22 and Rig 25.

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Rig 22 is currently leased to HOC for \$3,164 per day under a bareboat charter agreement between HOC and HRC, expiring January 2, 2000. HOC has no option to purchase the rig from HRC. Based on current circumstances and assuming no other changes, the day rates charged to HOC for Rig 22 and Rig 25 are insufficient to enable the Company to meet its obligations of the \$12 million maturing on January 3, 2000 for Rig 22.

SUBSEQUENT EVENT  
(UNAUDITED):

On May 9, 1997, the shareholder of HRC entered into a definitive stock purchase agreement to sell all of the outstanding stock of HRC for \$50 million to Parker Drilling Company. The agreement is conditional upon Parker Drilling Company's acquisition of HOC for \$145 million and is terminable if the transaction fails to close by December 31, 1997.

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# REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders of  
Hercules Offshore Corporation

In our opinion, the accompanying balance sheet and the related statements of income, of stockholders' equity and of cash flows present fairly, in all material respects, the financial position of Hercules Offshore Corporation at December 31, 1995 and the results of its operations and its cash flows for the years ended December 31, 1995 and 1994, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

As described in Notes 4, 7, 8, 9 and 11 of the accompanying financial statements, the Company has extensive transactions and relationships with its owners. Because of these relationships, it is possible that the terms of these transactions are not the same as those that would result from transactions among wholly unrelated parties.

PRICE WATERHOUSE LLP  
Houston, Texas

September 11, 1996

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HERCULES OFFSHORE CORPORATION  
 BALANCE SHEET  
 DECEMBER 31, 1995

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 09/30/2010

<Table>  
 <S>

Assets

<C>

Current assets:	
Cash	\$ 133,209
Accounts receivable, trade	6,310,666
Accounts receivable, other	467,220
Prepaid insurance	341,992
Other current assets	262,208
Total current assets	7,515,295
Equipment, net	34,270,111
Other assets	69,188
Receivables from affiliates	1,930,323
	\$43,784,917
	=====

Liabilities and Stockholders' Equity

Current liabilities:	
Accounts payable	\$ 4,737,776
Accrued liabilities	1,533,432
Advances from stockholders	4,054,670
Note payable to affiliate	38,770
Other notes payable	261,682
Capital lease obligation	5,005,973
Total current liabilities	15,632,303
Revolving line of credit	3,057,446
Deferred income taxes	1,846,517
Total liabilities	20,536,266
Stockholders' equity:	
Common stock, \$1.00 par value, 18,034,384 shares authorized, issued and outstanding	18,034,384
Retained earnings	5,214,267
Total stockholders' equity	23,248,651
Commitments and contingencies (Note 9)	
	\$43,784,917
	=====

</Table>

The accompanying notes are an integral part of this statement.

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09/30/2010

HERCULES OFFSHORE CORPORATION  
STATEMENT OF CASH FLOWS

<Table>  
<Caption>

	Year ended December 31,	
	1995	1994
<S>	<C>	<C>
Cash flows from operating activities:		
Net income	\$ 596,103	\$ 1,995,815
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	1,865,224	1,132,323
Deferred income taxes	429,857	847,352
Changes in operating assets and liabilities, net:		
Accounts receivable	(2,010,874)	1,279,299
Prepaid insurance and other assets	79,419	(564,961)
Accounts payable	40,170	3,254,426
Accrued liabilities	677,234	(562,809)
Net cash provided by (used in) operating activities	1,677,133	7,381,445
Cash flows from investing activities:		
Capital expenditures	(4,705,683)	(10,610,289)
Proceeds from capital dispositions	36,350	
Net advances to affiliates	(283,234)	(1,208,911)
Net cash used in investing activities	(4,952,567)	(11,819,200)
Cash flows from financing activities:		
Net proceeds from revolving line of credit	507,446	2,550,000
Net advances from stockholders	4,036,220	(124,275)
Payments on capital lease	(1,145,395)	(245,469)
Net cash provided by financing activities	3,398,271	2,180,256
Net increase (decrease) in cash	122,837	(2,257,499)
Cash:		
Beginning of period	10,372	2,267,871
End of period	\$ 133,209	\$ 10,372

</Table>



## HERCULES OFFSHORE CORPORATION

## NOTES TO FINANCIAL STATEMENTS

## NOTE 1 -- ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Hercules Offshore Corporation (the Company) was formed under the laws of the state of Texas to serve as an independent marine contractor specializing in drilling and workover services for oil and gas wells located in the United States Gulf of Mexico.


## Revenue recognition

The Company's rig service contracts are normally completed in one year or less. Revenues are recognized as the related services are performed. Revenues consist primarily of day rates charged for the rigs plus other contract costs for mobilization fees and other rig-related services.

## Concentration of credit and major customers

Accounts receivable are due primarily from large oil and gas exploration and production corporations with operations in the United States Gulf of Mexico. Service revenue derived from the three largest oil and gas customers was \$7,716,405 and \$2,335,083 and \$1,374,105 or 25%, 8% and 5%, respectively,

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for the year ended December 31, 1995 and \$7,289,332 \$1,027,318 and \$894,049, or 28%, 4% and 3%, respectively, for the year ended December 31, 1994.

#### Equipment

Equipment is recorded at historical cost, which includes the allocated purchase price of contributed assets and expenditures for additions and major improvements. Depreciation is calculated using the straight-line method over their estimated useful-asset lives, net of estimated salvage values. Expenditures which substantially increase value or extend useful lives are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

#### Income taxes

The Company recognizes income tax expense based on the liability method of accounting for income taxes. The deferred tax asset or liability is recorded based upon temporary differences between the tax basis of assets and liabilities and their carrying values for financial reporting purposes. The primary temporary differences between the tax basis and financial basis of the Company's assets and liabilities relate to the depreciation of equipment. Deferred tax expense is the result of changes in the deferred tax assets and liabilities during the periods presented.

#### Interest

Interest expense included in general and administrative expenses totaled \$904,195 and \$189,442 for the years ended December 31, 1995 and 1994, respectively. Interest incurred as a result of capital expenditures on major construction projects is capitalized as part of the cost of the assets. Interest capitalized during 1995 and 1994 was \$36,828 and \$95,884, respectively.

#### Fair value of financial instruments

Based on borrowing rates currently available, the carrying amounts of notes payable at December 31, 1995 approximate fair values.

#### Use of estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Because of the inherent uncertainties in their process, actual results could differ from such estimates. Management believes that the estimates are reasonable.

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## NOTE 2 - EQUIPMENT:

Equipment consists of the following as of December 31, 1995:

&lt;TABLE&gt;

&lt;CAPTION&gt;

	ESTIMATED USEFUL LIFE IN YEARS	
	-----	
<S>	<C>	<C>
Drilling and workover rigs and equipment	15	\$31,738,813
Jack-up rig under capital lease	15	5,403,706
Furniture, fixtures and other	4	157,479
Less - accumulated depreciation		(3,029,887)
		-----
		\$34,270,111
		=====

&lt;/TABLE&gt;

Depreciation expense for the years ended December 31, 1995 and 1994 was \$1,730,831 and \$989,773, respectively. Amortization associated with the jack-up rig under capital lease is included in depreciation expense.

## NOTE 3 - INDEBTEDNESS:

The Company obtained \$927,143 of vendor financing to acquire certain rig equipment in December 1994. The note payable for such equipment bears interest at 11%, is due in January 1996 and is collateralized by the equipment. At December 31, 1995, \$241,388 of principal was outstanding under this obligation. The amount was paid in full in April 1996.

The Company has a primary revolving line of credit agreement with a bank under which borrowings are secured by trade receivables and bear interest payable monthly at rates based on the bank's prime rate plus one percent (9.5% at December 31, 1995). The agreement provided for a \$3,500,000 line of credit subject to limitations based on amounts of eligible accounts receivable outstanding. At December 31, 1995, the amount of credit available was reduced by a \$187,983 letter of credit representing a security deposit for insurance. Further, the maximum amount available under the line of credit was \$4,571, and the amount outstanding was \$3,057,446.

On June 14, 1996 and August 20, 1996, the Company entered into agreements to amend and restate the terms of the revolving line of credit. As a result, the available line of credit was increased to \$5,500,000 and the maturity date was extended from March 31, 1997 to November 20, 1997. Monthly principal repayments of \$1,833,333 are scheduled for September 20, 1997 and October 20, 1997, with any remaining principal due November 20, 1997. Further, certain covenants were modified and include the maintenance of tangible net worth of \$22,000,000 through October 31, 1996 which increases to \$25,000,000 thereafter; maintenance of an adjusted current ratio of .75 through October 31, 1996, increasing to .85 through December 31, 1996 and 1.00, thereafter. The maximum allowance for advances to affiliates was increased from \$2,000,000 to \$2,750,000. The requirement that the Company generate positive net income for any one year or two consecutive quarters was not amended and is still in effect.

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In June 1996, the Company exercised its option to purchase a jack-up rig (Hercules Rig 11) through a vendor financing agreement (Note 7). The total purchase price of \$5,392,486 includes \$392,486 of additional costs to repair the rig's mud system. The note payable, which bears interest at 17%, is due on the earlier of the closing of a sale by the Company of secured long term debt securities or October 31, 1996.

In June 1996, the Company entered into another vendor financing agreement (Note 7) to purchase a jack-up rig (Hercules Rig 14) for \$2,300,000. The note payable which bears interest at LIBOR plus 2.5% is due on the earlier of a sale by the Company of secured long term debt securities or December 31, 1996.

The Company intends to repay the notes payable for the purchase of the two rigs through a private placement of secured debt securities. The private placement is intended to raise approximately \$30 million through the issuance of 10%-10.75% senior secured notes due 2003. The remaining proceeds received from the private placement will be used to refurbish two additional rigs, repay the line of credit and certain shareholder advances, pay fees and other closing costs and provide funds for general corporate purposes. The private placement is intended to be completed during October 1996.

NOTE 4 - STOCKHOLDER'S EQUITY AND PAYABLES TO PARENT:

The Company had a note payable to Adway of \$38,770 and \$57,220 at December 31, 1995 and 1994, respectively. The note bears interest at prime (8.75% and 8% at December 31, 1995 and 1994, respectively), is unsecured and is callable based on Adway's discretion.

During 1995, the Company received advances of \$4,054,670 from its stockholders to provide working capital and meet other operating cash requirements. Stockholder advances, which are noninterest-bearing, are included in current liabilities and totaled \$4,054,670 at December 31, 1995.

During 1996, the Company received advances from Trenergy of \$4,000,000 to provide for additional working capital (Note 11). The advances are payable on demand and are noninterest-bearing.

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In January 1994, the Company amended the articles of incorporation to increase the authorized common stock of the Company from two shares to 18,034,384 shares and issued an additional 18,034,382 shares of common stock in connection with a 9,017,192-for-one stock split effected in the form of a dividend. As a result of this transaction, capital stock increased by \$18,034,382 with a corresponding reduction in additional paid-in capital to reflect a \$1.00 par value per share for each share issued.

# NOTES 5 - INCOME TAXES:

The provisions for income taxes consists of the following:

<Table>  
<Caption>

	December 31,	
	1995	1994
<S>	<C>	<C>
Current federal income tax provision		\$ 309,580
Deferred federal income tax provision	\$ 429,857	847,352
Total provision for income taxes	\$ 429,857	\$ 1,156,932
	=====	=====

</Table>

The tax effects of the principal temporary differences between financial reporting and income tax reporting are as follows:

<Table>  
<Caption>

	December 31,	
	1995	1994
<S>	<C>	<C>
Deferred tax assets:		
Alternative minimum tax credit carryforward	\$ 309,579	\$ 309,579
Net operating loss carryforward	1,263,277	581,291
Deferred tax liabilities:		
Accelerated depreciation	(3,241,095)	(2,238,733)
Other	(178,278)	(68,797)
	\$ (1,846,517)	\$ (1,416,660)
	=====	=====

</Table>

At December 31, 1995, the Company had net operating loss carryforwards for tax purposes of \$3,715,523, which expire in 2009. The Company also has alternative minimum tax credit carryforwards of \$309,579, which can be carried forward indefinitely. Changes in ownership of the Company could limit the utilization of tax attribute carryforwards.

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NOTE 6 - EMPLOYEE RETIREMENT PLAN:

The Company has a retirement plan which permits participants to make contributions up to 15% of their salary. The plan, which is a defined contribution plan, covers all employees who are age 21 or older and have 120 days of service. The Company may make discretionary contributions in amounts not to exceed the first six percent of an employee's eligible compensation contributed to the plan. For the years ended December 31, 1995 and 1994 the Company contributed \$197,454 and \$190,228, respectively, to the Plan.

NOTE 7 - LEASES:

In April 1994, the Company sold its right, title and interest in and the right to purchase the jack-up rig for \$100,000 to Hercules Rig Corporation (HRC), an affiliate of the Company, who exercised the purchase option. The financial statements include a \$100,000 gain related to this transaction. In April 1994, the Company entered into a two-year bareboat charter agreement with HRC for the rig at \$2,500 per day. This agreement provides a renewal option for an additional two years at market rates. However, upon expiration of the original term, the option was not exercised and the lease has reverted to a month-to-month arrangement with a charter rate of \$2,500 per day. Payments under this agreement are recorded as a component of cost of operations as an operating lease and totaled \$837,500 and \$866,375 for the years ended December 31, 1995 and 1994, respectively. HRC has pledged the rig as collateral for certain debt incurred by HRC in fiscal 1995.

In April 1994, the Company entered into a lease through a bareboat charter agreement for a third jack-up rig at a minimum of \$1,875 per day, with increasing rates based on rig utilization. The lease has a purchase option of \$5,000,000 at the end of the second year. The bareboat charter agreement requires that the jack-up rig not be used for exploratory or developmental drilling in the U.S. Gulf of Mexico. This jack-up rig was recorded in the accompanying financial statements as a capital lease. Payments related to this agreement totaled \$876,250 for the year ended December 31, 1995. In June 1996, the Company exercised its option to purchase the jack-up rig through a vendor financing agreement (Note 3).

The Company leases its office buildings and certain equipment under long-term operating leases.

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Rental expense for the year ended December 31, 1995 and 1994 was approximately \$2,602,728 and \$1,811,631 respectively. Future minimum lease payments on the Company's long-term operating leases are as follows for the years ending December 31:

1996	\$444,273
1997	10,306
1998	6,572
1999	233
	-----
	\$461,384
	=====

NOTE 8 - RELATED PARTY TRANSACTIONS:

In accordance with a Management Services Agreement, the Company provides essentially all accounting and administrative services to Hercules Marine Services Corporation (HMS), an unconsolidated entity owned by Adway. The Company's total general and administrative expenses are charged to HMS at a rate of one-tenth for the year ended December 31, 1995 and for the period from May 1, 1994 to December 31, 1994 and are recorded as a reduction of the Company's expense. An aggregate of \$343,670 and \$384,800 was charged to HMS for general and administrative services for the years ended December 31, 1995 and 1994, respectively. The Company also provides cash advances to HMS to finance working capital requirements and other cash needs. In 1995, HOC and HMS entered into a demand promissory note under which HOC may advance up to \$800,000 to HMS payable on demand. At December 31, 1995 and 1994, receivables from HMS totaled \$799,502 and \$519,893, respectively, and related interest receivable totaled \$108,659 and \$49,489, respectively. Summarized financial information for HMS as of December 31, is as follows:

	1995	(Unaudited) 1994
Current assets	\$ 113,452	\$ 69,085
Noncurrent assets	853,806	758,441
Current liabilities	1,697,783	1,236,376
Equity	(730,525)	(408,858)
Revenues	1,329,547	1,007,022
Net loss	(342,679)	(697,112)

During 1994, the Company provided HRC cash advances totaling \$1,100,000 primarily consisting of a \$1,000,000 escrow deposit required for the purchase of a jack-up rig (Note 7).

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The Company has a management service agreement with Hercules Capital Corporation (HCC), a company owned by an officer of the Company. HCC provides investment banking services for the Company. Payment for these services totaled \$88,945 and \$85,730 for the years ended December 31, 1995 and 1994, respectively.

NOTE 9 - COMMITMENTS AND CONTINGENCIES:

In the normal course of business, employees of the Company and of the Company's customers have incurred injuries. These incidents could result in workers' compensation and other claims against the Company. Management plans to aggressively defend its position in any claims and believes its insurance coverage is adequate to cover any possible materials losses.

The Company has employment agreements with certain officers of the Company which provide guaranteed payments if the officers are terminated without cause. At December 31, 1995, guaranteed future payments under these agreements and the management services agreement with HCC (Note 8) total \$273,330.

NOTE 10 - SUPPLEMENTAL DISCLOSURES TO THE STATEMENT OF CASH FLOWS:

<Table>  
 <Caption>

	Year ended December 31,	
	1995	1994
<S>	<C>	<C>
Cash paid for interest, net of amounts capitalized	\$ 923,000	\$ 245,000
Cash paid for taxes, net of refunds	(51,000)	995,000
Supplemental disclosures of noncash investing and financing activities:		
Assets acquired through debt financing (Note 3)	27,813	1,227,000
Asset acquired under capital lease (Note 7)		5,403,706

</Table>

NOTE 11 - SUBSEQUENT EVENTS:

In June 1996, the Company entered into an eighteen month lease agreement for a top drive system at a rate of \$90,000 per month. The lease has an option to purchase the top drive system at the completion of the lease term at a price below fair market value.

On April 30, 1996, the stockholders sold their 100% ownership of the Company to Trenergy (Note 1). The stockholders received cash and stock to Trenergy. The resultant change in the stockholders' basis has not been given effect to in the accounts of the Company. The sellers have guaranteed to Trenergy that the Company's profit before tax will be approximately \$6 million for each of the five years after

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the closing of the transaction. The guarantee is supported by a bank guarantee provided by the sellers. Further, Trenergy advanced to the Company approximately \$4,000,000 for certain rig improvements. The advances are to be repaid upon consummation of the sale by the Company of secured long-term debt securities (discussed in Note 3).

In February 1996, the Company entered into a thirteen month lease agreement for a top drive system at a rate of \$119,135 per month. The lease has a purchase option of \$100.00 at the completion of the thirteen month lease term.

In February 1996, the Company entered into an operating lease agreement through a bareboat charter agreement with Cliff's Drilling for a jack-up rig (Rig 12) at a rate of \$3,250 per day.

In February 1996, the Company awarded bonuses of \$170,000 to certain officers.

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CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the use in Form 8\_K of Parker Drilling of our report dated September 11, 1996, relating to the financial statements of Hercules Offshore Corporation, which appears in such Form 8-K.

Price Waterhouse LLP  
Address  
July , 1997

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09/30/2010

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09/30/2010

EXHIBIT 99

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Office: (713) 260-6300  
Fax: (713) 789-4063

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HERCULES OFFSHORE CORPORATION

FINANCIAL STATEMENTS

SEPTEMBER 30, 1995 AND 1994

DECLASSIFIED 09/30/2010



*Price Waterhouse LLP*



REPORT OF INDEPENDENT ACCOUNTANTS

December 14, 1995

DECLASSIFIED  
09/30/2010

To the Board of Directors and Stockholders of  
Hercules Offshore Corporation

In our opinion, the accompanying balance sheet and the related statements of operations, of stockholders' equity and of cash flows present fairly, in all material respects, the financial position of Hercules Offshore Corporation at September 30, 1995 and 1994, and the results of its operations and its cash flows for the years ended September 30, 1995 and 1994, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

As described in Notes 4, 8 and 9 of the accompanying financial statements, the Company has extensive transactions and relationships with its owners. Because of these relationships, it is possible that the terms of these transactions are not the same as those that would result from transactions among wholly unrelated parties.

*Price Waterhouse LLP*

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HERCULES OFFSHORE CORPORATIONBALANCE SHEET

	<u>September 30,</u>	
	<u>1995</u>	<u>1994</u>
<u>Assets</u>		
Current assets:		
Cash	\$ 3,654	\$ 114,084
Accounts receivable	5,268,857	3,912,949
Income taxes receivable	639,763	389,500
Prepaid insurance	292,639	390,273
Other prepaid expenses	358,921	242,828
Deferred income taxes	<u>26,448</u>	<u>12,000</u>
Total current assets	6,590,282	5,061,634
Equipment, net	33,275,796	27,609,093
Receivables from affiliates	<u>1,983,801</u>	<u>1,761,306</u>
	<u>\$ 41,849,879</u>	<u>\$ 34,432,033</u>
<u>Liabilities and Stockholders' Equity</u>		
Current liabilities:		
Accounts payable	\$ 4,116,936	\$ 2,936,875
Accrued liabilities	1,402,776	533,227
Revolving line of credit	3,002,446	1,700,000
Advances from stockholders	3,754,670	
Note payable to affiliate	38,771	57,220
Other notes payable	600,392	
Capital lease obligation	<u>5,141,419</u>	<u>197,049</u>
Total current liabilities	18,057,410	5,424,371
Capital lease obligation		5,160,170
Deferred income taxes	<u>1,798,481</u>	<u>1,349,000</u>
Total liabilities	<u>19,855,891</u>	<u>11,933,541</u>
Stockholders' equity:		
Common stock, \$1.00 par value, 18,034,384		
shares authorized, issued and outstanding	18,034,384	18,034,384
Retained earnings	<u>3,959,604</u>	<u>4,464,108</u>
Total stockholders' equity	<u>21,993,988</u>	<u>22,498,492</u>
Commitments and contingencies (Note 9)		
	<u>\$ 41,849,879</u>	<u>\$ 34,432,033</u>

The accompanying notes are an integral part of this statement.

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HERCULES OFFSHORE CORPORATION

STATEMENT OF OPERATIONS

	Year ended September 30,	
	<u>1995</u>	<u>1994</u>
Offshore drilling and workover revenues	<u>\$ 25,317,389</u>	<u>\$ 28,419,011</u>
Costs and expenses:		
Cost of operations	20,608,229	18,663,448
General and administrative	3,610,510	2,941,169
Depreciation and amortization	<u>1,713,350</u>	<u>895,192</u>
	<u>25,932,089</u>	<u>22,499,809</u>
(Loss) income before income taxes	(614,700)	5,919,202
Income tax benefit (expense)	<u>110,196</u>	<u>(2,096,000)</u>
Net (loss) income	<u>\$ (504,504)</u>	<u>\$ 3,823,202</u>

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PD 000378

The accompanying notes are an integral part of this statement.

# HERCULES OFFSHORE CORPORATION

## STATEMENT OF STOCKHOLDERS' EQUITY

	<u>Shares outstanding</u>	<u>Common stock (\$1.00 par value)</u>	<u>Additional paid-in capital</u>	<u>Receivable from parent</u>	<u>Retained earnings</u>	<u>Total</u>
Balance, September 30, 1993	2	\$ 2	\$ 18,034,382	\$ (4,754,384)	\$ 640,906	\$ 13,920,906
Stock split	18,034,382	18,034,382	(18,034,382)			
Settlement of receivable from parent				4,754,384		4,754,384
Net income					<u>3,823,202</u>	<u>3,823,202</u>
Balance, September 30, 1994	18,034,384	18,034,384			4,464,108	22,498,492
Net loss					<u>(504,504)</u>	<u>(504,504)</u>
Balance, September 30, 1995	<u>18,034,384</u>	<u>\$ 18,034,384</u>	<u>\$</u>	<u>\$</u>	<u>\$3,959,604</u>	<u>\$ 21,993,988</u>

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The accompanying notes are an integral part of this statement.

HERCULES OFFSHORE CORPORATION

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STATEMENT OF CASH FLOWS

	Year ended <u>September 30,</u>	
	<u>1995</u>	<u>1994</u>
Cash flows from operating activities:		
Net (loss) income	\$ (504,504)	\$ 3,823,202
Adjustment to reconcile net (loss) income to net cash (used in) provided by operating activities:		
Depreciation and amortization	1,713,350	895,192
Increase in accounts receivable	(1,355,908)	(714,839)
Increase in income tax receivable	(250,263)	(389,500)
Decrease (increase) in prepaid insurance	97,634	(126,092)
Increase in other prepaid expenses	(271,295)	(19,928)
Increase in accounts payable	1,180,061	2,051,337
Increase in accrued liabilities	869,549	46,412
Decrease in income taxes payable		(275,000)
Increase in deferred income taxes	<u>435,033</u>	<u>1,282,000</u>
Net cash provided by operating activities	<u>1,913,657</u>	<u>6,572,784</u>
Cash flows from investing activities:		
Capital expenditures	(6,319,422)	(8,244,187)
Proceeds from capital dispositions	21,714	
Proceeds from restricted cash		298,324
Net advances to affiliates	<u>(222,495)</u>	<u>(1,660,829)</u>
Net cash used in investing activities	<u>(6,520,203)</u>	<u>(9,606,692)</u>
Cash flows from financing activities:		
Net proceeds from revolving line of credit	1,302,446	1,700,000
Net advances from stockholders	3,754,670	1,925,000
Payments on capital lease	(589,813)	(1,252,487)
Proceeds from notes payable	47,262	
Repayments of notes payable to affiliates	<u>(18,449)</u>	<u>(124,275)</u>
Net cash provided by financing activities	<u>4,496,116</u>	<u>2,248,238</u>
Net decrease in cash	(110,430)	(785,670)
Cash:		
Beginning of period	<u>114,084</u>	<u>899,754</u>
End of period	<u>\$ 3,654</u>	<u>\$ 114,084</u>

The accompanying notes are an integral part of this statement.

PD 000380

## HERCULES OFFSHORE CORPORATION

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### NOTES TO FINANCIAL STATEMENTS

#### NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Hercules Offshore Corporation (the Company) was formed under the laws of the state of Texas in June 1993 to operate the offshore assets of a predecessor company. Effective September 1, 1993, virtually all operating assets and certain liabilities of the predecessor were purchased by the Company's ultimate parent company, Adway International Limited (Adway), for cash of \$13,780,000. Assets related to offshore rig services were contributed to the Company as an equity contribution and include five platform rigs and one jack-up rig, leasehold interests in two jack-up rigs and all rights and interests in preexisting contracts. The purchase price was allocated to the Company's assets and to the other assets acquired from the predecessor based on the percentage relation of each asset acquired to the total fair market value. The Company commenced operations on September 1, 1993 under the predecessor's name, Hercules Offshore Corporation. On January 11, 1994, Adway dividdened its ownership of the Company to its two individual owners. No additional purchase price allocation was performed as a result of this transfer. On December 31, 1993, the stockholders entered into an agreement with Trenergy (Malaysia) Berhad (Trenergy), a Malaysia public company, to sell their 100% ownership of the Company to Trenergy.

#### Line of business

The Company serves as an independent marine contractor specializing in drilling and workover services for oil and gas wells located in the United States Gulf of Mexico.

#### Revenue recognition

The Company's rig service contracts are normally completed in one year or less. Revenues are recognized as the related services are performed. Revenues consist primarily of day rates charged for the rigs plus other contract costs for mobilization fees and other rig-related services.

#### Concentration of credit and major customers

Accounts receivable are due primarily from large oil and gas exploration and production corporations with operations in the United States Gulf of Mexico. Service revenue derived from the three largest oil and gas customers was \$6,766,196, \$2,027,467 and \$1,935,046 or 27%, 8% and 8%, respectively, for the year ended September 30, 1995 and \$7,645,200, \$6,972,700 and \$2,845,700, or 27%, 25% and 10%, respectively, for the year ended September 30, 1994.

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Equipment

Equipment is recorded at historical cost, which includes the allocated purchase price of contributed assets and expenditures for additions and major improvements. Depreciation is calculated using the straight-line method over their estimated useful asset lives, net of estimated salvage values. Expenditures which substantially increase value or extend useful lives are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Income taxes

The Company recognizes income tax expense based on the liability method of accounting for income taxes. The deferred tax asset or liability is recorded based upon temporary differences between the tax basis of assets and liabilities and their carrying values for financial reporting purposes. The primary temporary differences between the tax basis and financial basis of the Company's assets and liabilities relate to the depreciation of equipment. Deferred tax expense is the result of changes in the deferred tax assets and liabilities during the periods presented.

Interest

Interest expense included in general and administrative expenses totaled \$838,896 and \$79,964 for the years ended September 30, 1995 and 1994, respectively. Interest incurred as a result of capital expenditures on major construction projects is capitalized as part of the cost of the assets. Total interest of \$163,153 was incurred during the year ended September 30, 1994 and \$83,189 thereof was capitalized.

NOTE 2 - EQUIPMENT:

Equipment consists of the following:

	Estimated useful life in years	<u>September 30,</u>	
		<u>1995</u>	<u>1994</u>
Drilling and workover rigs and equipment	15	\$ 30,225,712	\$ 23,071,275
Jack-up rig under capital lease	15	5,403,706	5,403,706
Furniture, fixtures and other	4	<u>170,340</u>	<u>86,210</u>
		35,799,758	28,561,191
Less - accumulated depreciation		<u>(2,523,962)</u>	<u>(952,098)</u>
		<u>\$ 33,275,796</u>	<u>\$ 27,609,093</u>

Accumulated depreciation for the jack-up rig under capital lease totaled \$521,674 at September 30, 1995 and depreciation expense was \$447,845 for the year then ended.

**NOTE 3 - INDEBTEDNESS:**

The Company has a primary revolving line of credit agreement with a bank under which borrowings are secured by trade receivables and bear interest payable monthly at rates based on the bank's prime rate plus one percent (9.75% at September 30, 1995). The agreement, scheduled to mature on March 31, 1996, provides for a \$3,250,000 line of credit subject to limitations based on amounts of eligible accounts receivable outstanding. The amount of credit available is reduced by a \$187,983 letter of credit representing a security deposit for insurance. At September 30, 1995, the maximum amount available under the line of credit was \$59,571, and the amount outstanding was \$3,001,465. The revolving line of credit agreement with the bank contains certain financial covenants, including maintenance of tangible net worth of \$21,875,000 through September 30, 1995 and \$22,000,000 thereafter, a current ratio minimum of 1.0 to 1.0, a maximum allowance for advances to affiliates of \$2,000,000 and a requirement which prohibits net income of less than zero for the year ended September 30, 1995 and for any two consecutive quarters thereafter or for any one year thereafter. The Company has violated the covenants relating to the current ratio and net loss for fiscal year ended September 30, 1995. The bank has waived the aforementioned covenants for the year ended September 30, 1995, and the Company amended the agreement with the bank to extend the maturity date of the amount outstanding under the line of credit. The amendment modified certain financial covenants including lowering the current ratio requirement.

The Company obtained \$927,143 of vendor financing to acquire certain rig equipment in December 1994. The note payable for such equipment bears interest at 11%, is due in January 1996 and is collateralized by the equipment. At September 30, 1995, \$553,130 of principal was outstanding under this obligation.

**NOTE 4 - STOCKHOLDER'S EQUITY AND PAYABLES TO PARENT:**

The Company had a note payable to Adway of \$38,770 and \$57,220 at September 30, 1995 and 1994, respectively. The note bears interest at prime (8.75% and 7.75% at September 30, 1995 and 1994, respectively), is unsecured and is callable based on Adway's discretion.

In fiscal 1995, the Company received advances of \$4,154,670 from its stockholders to provide working capital and other operating cash requirements. Stockholder advances totaled \$3,970,683 at September 30, 1995.

The Company received advances from Adway through September 1993 of \$2,829,384. During fiscal 1994, Adway elected to contribute such advances and additional advances of \$1,925,000 received in October 1993 to capital of the Company. The advances, aggregating \$4,754,384, were recorded as capital contributions in fiscal 1994.

In 1994, the Company amended the articles of incorporation to increase the authorized common stock of the Company from two shares to 18,034,384 shares and issued an additional 18,034,382 shares of common stock in connection with a 9,017,192-for-one stock split effected in the form of a dividend. As a result of this transaction, capital stock was credited by \$18,034,382 with an offsetting charge to additional paid-in capital, to reflect a \$1.00 par value per share for each share issued.

**NOTE 5 - INCOME TAXES:**

The provision for income taxes consists of the following:

	Year ended September 30,	
	1995	1994
Current federal income tax provision	\$ (545,219)	\$ 814,000
Deferred federal income tax provision	<u>435,023</u>	<u>1,282,000</u>
Total provision for income taxes	<u>\$ (110,196)</u>	<u>\$ 2,096,000</u>

The tax effects of the principal temporary differences between financial reporting and income tax reporting are as follows:

	September 30,	
	1995	1994
Deferred tax asset:		
Workers' compensation accruals	\$ 26,448	\$ 12,000
Net deferred tax liability:		
Accelerated depreciation	(3,806,004)	(1,990,000)
Alternative minimum tax credit carryforward	531,852	641,000
Net operating loss carryforward	<u>1,475,671</u>	<u>          </u>
	<u>\$ (1,772,033)</u>	<u>\$ (1,337,000)</u>

At September 30, 1995, the Company had net operating loss carryforwards for tax purposes of \$4,340,209, which expire in 2009. The Company also has alternative minimum tax credit carryforwards of \$531,852, which can be carried forward indefinitely. Changes in ownership of the Company could limit the utilization of tax attribute carryforwards.

**NOTE 6 - EMPLOYEE RETIREMENT PLAN:**

The Company has a retirement plan which permits participants to make contributions up to 15% of their salary. The plan, which is a defined contribution plan, covers all employees who are age 21 or older and have 120 days of service. The Company may make discretionary contributions in amounts not to exceed the first six percent of an employee's eligible compensation contributed to the plan. For the years ended September 30, 1995 and 1994, the Company contributed \$212,720 and \$125,762, respectively, to the Plan.

NOTE 7 - LEASES:

The predecessor company had a lease through a bareboat charter agreement for a jack-up rig at \$1,000 per day which was assigned to the Company on September 1, 1993. The lease had a \$1,200,000 purchase option at the end of the lease term which was exercised in August 1993 with a \$120,000 escrow deposit and consummated in October 1993 wherein the capital lease obligation and purchase option were paid in full. In the event that this rig is sold or transferred before November 1995, the Company will be obligated to share the net gain resulting from the transaction on a 50/50 basis with the seller.

The predecessor company had a lease through a bareboat charter agreement for a second jack-up rig which was also assigned to the Company on September 1, 1993. This agreement provided renewal options at \$2,000 per day through October 12, 1993 and \$2,500 through April 1994. The lease had a \$10,000,000 purchase option at the completion of the lease term. Payments under this agreement were recorded as a component of cost of operations as an operating lease and totaled \$475,000 for the year ended September 30, 1994.

In April 1994, the Company sold its right, title and interest in and the right to purchase the jack-up rig for \$100,000 to Hercules Rig Corporation (HRC), an affiliate of the Company, who exercised the purchase option. The financial statements include a \$100,000 gain related to this transaction. In April 1994, the Company entered into a two-year bareboat charter agreement with HRC for the rig at \$2,500 per day. This agreement provides a renewal option for an additional two years at market rates. Payments under this agreement are recorded as a component of cost of operations as an operating lease and totaled \$787,500 and \$440,000 for the years ended September 30, 1995 and 1994, respectively. HRC has pledged the rig as collateral for certain debt incurred by HRC in fiscal 1995.

In April 1994, the Company entered into a lease through a bareboat charter agreement for a third jack-up rig at a minimum of \$1,875 per day, with increasing rates based on rig utilization. The lease has a purchase option of \$5,000,000 at the end of the second year. The bareboat charter agreement requires that the jack-up rig not be used for exploratory or developmental drilling in the U.S. Gulf of Mexico. This jack-up rig was recorded in the accompanying financial statements as a capital lease. Future minimum lease payments are \$5,513,281 in 1996, of which \$353,111 represents interest.

The Company leases its office buildings and certain equipment under long-term operating leases.



Rental expense for the year ended September 30, 1995 and September 30, 1994 was approximately \$2,220,561 and \$1,716,342, respectively. Future minimum lease payments on the Company's long-term operating leases are as follows for the years ending September 30:

1996	\$ 641,366
1997	19,871
1998	15,895
1999 and thereafter	<u>13,511</u>
	<u>\$ 690,643</u>

#### NOTE 8 - RELATED PARTY TRANSACTIONS:

In accordance with a Management Services Agreement, the Company provides essentially all accounting and administrative services to Hercules Marine Services Corporation (HMS), which is owned by Adway. The Company's total general and administrative expenses are charged to HMS at a rate of one-tenth for the year ended September 30, 1995 and for the period from May 1, 1994 to September 30, 1994 and are recorded as a reduction of the Company's expense. An aggregate of \$340,487 and \$368,220 was charged to HMS for general and administrative services for the years ended September 30, 1995 and September 30, 1994, respectively. The Company also provides cash advances to HMS to finance working capital requirements and other cash needs. In 1995, HOC and HMS entered into a demand promissory note under which HOC may advance up to \$800,000 to HMS payable on demand. At September 30, 1995 and 1994, receivables from HMS totaled \$859,608 and \$624,339, respectively, and related interest receivable totaled \$91,998 and \$36,967, respectively.

During 1994, the Company provided HRC cash advances totaling \$1,100,000 primarily consisting of a \$1,000,000 escrow deposit required for the purchase of a jack-up rig (Note 7).

The Company has a management service agreement with Hercules Capital Corporation (HCC), a company owned by an officer of the Company. HCC provides investment banking services for the Company. Payment for these services totaled \$88,945 and \$113,000 for the years ended September 30, 1995 and September 30, 1994, respectively.

#### NOTE 9 - COMMITMENTS AND CONTINGENCIES:

The Company is currently evaluating available alternatives to address a present cash shortfall. The Company currently has negative working capital and must obtain additional funds to meet the lease purchase option on a jack-up rig available in April 1996 (Note 7). Further, all stockholder advances have required repayment terms. The stockholders of the Company have advised management that the Trenergy transaction, referred to in Note 1, is presently expected to be consummated during 1996. The consummation of this transaction is contingent upon certain factors, including the receipt of approval from the Malaysia Securities Commission final documentation and the success of a Trenergy equity offering.

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In the normal course of business, employees of the Company and of the Company's customers have incurred injuries. These incidents could result in workers' compensation and other claims against the Company. Management plans to aggressively defend its position in any claims and believes its insurance coverage is adequate to cover any possible material losses.

The Company has employment agreements with certain officers of the Company which provide guaranteed payments if the officers are terminated without cause. At September 30, 1995, guaranteed future payments under these agreements and the management services agreement with HCC (Note 8) total \$363,829.

**NOTE 10 - SUPPLEMENTAL DISCLOSURES TO THE STATEMENT OF CASH FLOWS:**

	Year ended September 30,	
	<u>1995</u>	<u>1994</u>
Cash paid for interest, net of amounts capitalized	\$ 659,697	\$ 84,886
Supplemental disclosures of noncash investing and financing activities:		
Fair value of assets acquired through debt financing (Note 3)	927,143	
Debt financing on assets acquired (Note 3)	(927,143)	
Asset acquired under capital lease (Note 7)		5,403,706
Conversion of advances from parent to stockholders' equity (Note 4)		2,829,384

**NOTE 11 - SUBSEQUENT EVENTS:**

Pursuant to the agreement to sell the Company to Trenergy (Note 1), the stockholders will receive cash and stock of Trenergy. The stockholders will guarantee to Trenergy that the Company's profit before tax will be approximately \$5.6 million for each of the four years after closing the transaction. The guarantee is supported by a bank guarantee provided by the stockholders. As of December 14, 1995, this agreement had not closed.

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TTI HERCULES OFFSHORE

FILE MODE	OPTION	ADDRESS (GROUP)	RESULT	PAGE
1265 MEMORY TX		97132375656	OK	14/14

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REASON FOR ERROR  
 E-11 HANG UP OR LINE FAIL  
 E-21 NO ANSWER

E-10 BUSY  
 E-14 NO FACSIMILE CONNECTION



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**FACSIMILE COVER SHEET**

COMPANY: AA DATE: 7-8-97  
 ATTENTION: JUAN DIAZ FAX: 237-5658  
 FROM: STEVE FARWICK REF: PW SEPT 95

Number of pages sent 14 (including this sheet). If you have difficulty in receiving, please call.

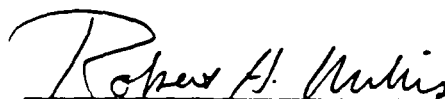
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## SECRETARY'S CERTIFICATE

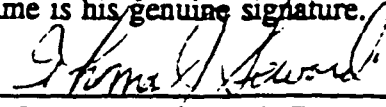
The undersigned hereby certifies to Heller Financial, Inc. ("Heller") the following in connection with that certain Loan and Security Agreement dated as of December 26, 1996 (the "Loan Agreement"), by and between Hercules Offshore Corporation, a Texas corporation (the "Corporation") and Heller:

1. That he is the duly elected and acting secretary of Hercules Offshore Corporation, a Texas corporation (the "Corporation"), and is authorized to execute and deliver this Certificate in favor of Heller.
2. That attached as Exhibit A to this Certificate is a true, correct and complete copy of the Corporation's Articles of Incorporation, which Articles of Incorporation are in full force and effect on the date of this Certificate without modification or rescission in any respect except as attached hereto.
3. That attached as Exhibit B to this Certificate is a true, correct and complete copy of the Corporation's Bylaws, which Bylaws are in full force and effect on the date of this Certificate without modification or rescission in any respect except as attached hereto.
4. That attached as Exhibit C to this Certificate are true, correct and complete copies of resolutions which were duly adopted by the Board of Directors of the Corporation in compliance with the Articles of Incorporation and Bylaws of the Corporation and applicable law, and that the attached resolutions are in full force and effect as of the date hereof.
5. That attached as Exhibit D to this Certificate are true and correct copies of applicable certificates of existence, good standing and/or authority to transact business issued by the appropriate governmental official in the State of Texas and in each other state in which the Company is required to be qualified. As of the date hereof, (a) the Corporation is in existence and in corporate and tax good standing in the State of Texas, (b) the Company does not owe franchise taxes or other taxes required to maintain its corporate existence and no franchise tax reports are due, and (c) no proceedings are pending for forfeiture of the Corporation's charter or for its dissolution either voluntarily, or to my knowledge, involuntarily.
6. The individuals on Annex A are the duly elected officers of the Corporation and hold the office set forth opposite their respective names as of the date hereof and the signatures set forth opposite the respective names and titles of said officers on Annex A are their true and genuine signatures.


This Certificate is executed this 26th day of December, 1996.

  
Robert H. Millis, Secretary

The undersigned, being one of the officers named in Paragraph 6 of the foregoing Certificate hereby confirms that Robert H. Millis is the duly elected and qualified Secretary of the Corporation and the signature appearing opposite his name is his genuine signature.

  
Thomas E. Seward, II, President

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09/30/2010



ANNEX A

Thomas J. Seward, II

President

Thomas J. Seward, II

Robert H. Millis

Chief Financial Officer/  
Secretary/Treasurer

Robert H. Millis

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09/30/2010

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09/30/2010

EXHIBIT A



# The State of Texas

## SECRETARY OF STATE

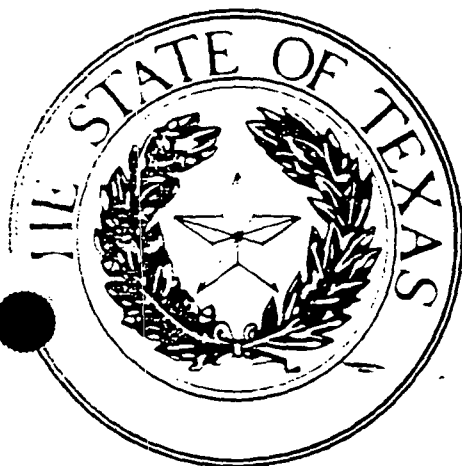
The undersigned, as Secretary of State of the State of Texas, **HEREBY CERTIFIES** that the attached is a true and correct copy of the following described instruments on file in this office:

**HERCULES OFFSHORE CORPORATION**  
**CHARTER NO. 1275495**

**ARTICLES OF INCORPORATION**  
**ARTICLES OF AMENDMENT**  
**CHANGE OF REGISTERED OFFICE AND/OR AGENT**  
**ARTICLES OF AMENDMENT**

**JUNE 25, 1993**  
**SEPTEMBER 2, 1993**  
**OCTOBER 21, 1993**  
**JANUARY 11, 1994**

*IN TESTIMONY WHEREOF, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in the City of Austin, on December 13, 1996.*



PD 000392

*1077.*  
\_\_\_\_\_  
**Antonio O. Garza, Jr.**  
**Secretary of State**

**DAE**

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09/30/2010

ARTICLES OF INCORPORATION  
OF  
HERCULES OPERATING CORPORATION

FILED  
In the Office of the  
Secretary of State of Texas

JUN 25 1993

Corporations Section

ARTICLE I

The name of the corporation is Hercules Operating Corporation.

ARTICLE II

The period of its duration is perpetual.

ARTICLE III

The corporation is organized for the purpose of engaging in any lawful act, activity and/or business for which corporations may be organized under the Texas Business Corporation Act.

ARTICLE IV

The aggregate number of shares which the corporation shall have the authority to issue is 1,000 shares of Common Stock, par value \$1.00 per share.

ARTICLE V

No holder of any shares of any class of the corporation's authorized shares, or any other class of stock of the corporation hereafter authorized, shall, as such holder, have any preemptive or preferential right to receive, purchase, or subscribe to (a) any unissued or treasury shares of any class of stock of the corporation (whether now or hereafter authorized), (b) any obligations, evidences of indebtedness, or other securities of the corporation convertible into or exchangeable for, or carrying or accompanied by any rights to receive, purchase, or subscribe to, any such unissued or treasury shares, (c) any right of subscription to or to receive, or any warrant or option for the purchase of, any of the foregoing securities, or (d) any other securities that may be issued or sold by the corporation

ARTICLE VI

The corporation will not commence business until it has received for the issuance of its shares consideration of the value of \$1,000.00, consisting of money, labor done or property actually received.

PD 000393



ARTICLE VII

The address of the registered office of the corporation is 1212 Guadalupe, Suite 102, Austin, Texas 78701 and the name of its initial registered agent at such address is Capitol Corporate Services, Inc.

ARTICLE VIII

The name and address of the incorporator is as follows:

NAME

ADDRESS

Klara A. Zahentmayr

4500 Trammell Crow Center  
2001 Ross Avenue  
Dallas, Texas 75201

ARTICLE IX

The number of directors constituting the Board of Directors on the date hereof is one (1) and the name and address of the person who is to serve as director until the next annual meeting of the shareholders, or until his successor or successors are elected and qualified, is as follows:

NAME

ADDRESS

Howard M. Berkower

805 Third Avenue  
New York, New York 10022

ARTICLE X

The corporation shall indemnify persons for whom indemnification is permitted by Article 2.02-1 of the Texas Business Corporation Act and such indemnification shall be made to the fullest extent permitted thereby.

ARTICLE XI

To the fullest extent permitted by law, directors and former directors of the corporation shall not be liable to the corporation or its shareholders for monetary damages for an act or omission in the director's capacity as a director. No amendment of this Article XI shall adversely affect any right or protection of a director that exists at the time of such amendment, modification or repeal.

ARTICLE XII

The right to accumulate votes in the election of directors and/or cumulative voting by any shareholder is hereby expressly denied.

ARTICLE XIII

Any action required by the Texas Business Corporation Act, or other applicable laws, or any action which may be taken without a meeting, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holder or holders of shares having not less than the minimum number of votes that would be necessary to take such action at a meeting at which the holders of all shares entitled to vote on the action were present and voted.

ARTICLE XIV

Special meetings of the shareholders of the corporation may be called by shareholders only if the holders of at least 10 percent (10%) of all shares entitled to vote at the proposed special meeting call such meeting.

The undersigned, the incorporator of this corporation, has signed these Articles of Incorporation on June 25, 1993.

*Klara A. Zehentmayr*  
Klara A. Zehentmayr

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PD 000395

Corporations Section.

DECLASSIFIED 09/30/2010

The name of the corporation is Hercules Offshore Corporation.

These Articles of Amendment have been executed this 1<sup>st</sup> day of September, 1993.

By:

J. Henry Lewis

Title:

PRESIDENT

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09/30/2010

FILED  
In the Office of the  
Secretary of State of Texas

STATEMENT OF CHANGE OF REGISTERED OFFICE  
OR REGISTERED AGENT OR BOTH BY  
A PROFIT CORPORATION

21 1993

Corporations Section

1. The name of the corporation is Hercules Offshore Corporation.

The corporation's charter number is \_\_\_\_\_.

2. The address of the CURRENT registered office as shown in the records of the Texas secretary of state is: (Please provide street address, city, state and zip code. The address must be in Texas).

1212 Guadalupe Suite 102

Austin, TX 78701

3. A. X The address of the NEW registered office is: (Please provide street address, city, state and zip code. The address must be in Texas).

11011 Richmond Avenue, Suite 500

Houston, TX 77042

- OR B.     The registered office address will not change.

4. The name of the CURRENT registered agent as shown in the records of the Texas secretary of state is Capitol Corporate Services, Inc.

5. A. X The name of the NEW registered agent is Robert Millis.

- OR B.     The registered agent will not change.

6. Following the changes shown above, the address of the registered office and the address of the office of the registered agent will continue to be identical, as required by law.

7. The changes shown above were authorized by: (check one)

A.     The board of directors.

B. X An officer of the corporation so authorized by the board of directors.

Robert H. Millis  
An Authorized Officer

(Please refer to the back of this form for additional instructions)

ARTICLES OF AMENDMENT  
TO THE  
ARTICLES OF INCORPORATION

Pursuant to the provisions of Article 4.04 of the Texas Business Corporation Act (the "Act"), the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation:

ARTICLE 1

The name of the corporation is Hercules Offshore Corporation.

FILED

In the Office of the  
Secretary of State of Texas

JAN 11 1994

ARTICLE 2

Corporations Section

The following amendment to the Articles of Incorporation was adopted by the sole shareholder of the corporation on January 7, 1994. The sole shareholder of the corporation deemed it to be in the best interest of the corporation to increase the number of authorized shares of common stock from 1,000 to 18,034,384.

The amendment alters or changes Article IV of the original Articles of Incorporation, as amended, and the full text of such provision as amended is as follows:

"ARTICLE IV

The aggregate number of shares which the corporation shall have authority to issue is 18,034,384 shares of Common Stock, \$1.00 par value per share."

ARTICLE 3

The number of shares of the corporation outstanding at the time of such adoption was 2; and the number of shares entitled to vote thereon was 2.

ARTICLE 4

The holders of all the shares outstanding and entitled to vote on said amendment have signed a consent in writing pursuant to Article 9.10 of the Act adopting said amendment and any written notice required by Article 9.10 of the Act has been given.

Dated January 10, 1994.

HERCULES OFFSHORE CORPORATION

By: Thomas J. Seward II  
Name: Thomas J. Seward II,  
Title: President

DECLASSIFIED  
09/30/2010



# The State of Texas

## SECRETARY OF STATE

### CERTIFICATE OF AMENDMENT OF

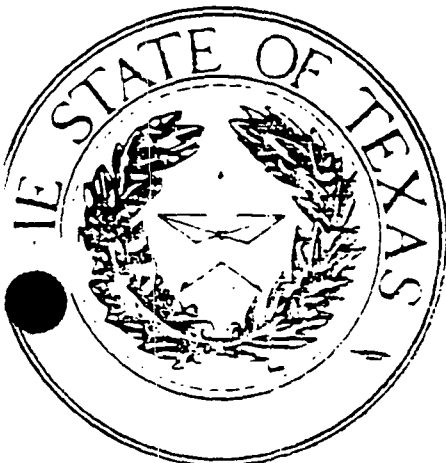
HERCULES OFFSHORE CORPORATION  
CHARTER NO. 1275495

The undersigned, as Secretary of State of Texas, hereby certifies that the attached Articles of Amendment for the above named entity have been received in this office and are found to conform to law.


ACCORDINGLY the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary by law, hereby issues this Certificate of Amendment.

Dated: December 23, 1996

Effective: December 23, 1996



PD 000400

  
Antonio O. Garza, Jr.  
Secretary of State

dhm

FILED  
In the Office of the  
Secretary of State of Texas

DEC 23 1996

Corporations Section

**STATEMENT OF DESIGNATIONS, PREFERENCES  
AND RIGHTS OF  
SERIES A NON-VOTING CUMULATIVE PREFERRED STOCK**

The undersigned Chief Financial Officer of Hercules Offshore Corporation, a Texas corporation (the "Corporation"), states that pursuant to the authority granted to and vested in the Board of Directors of the Corporation by the provisions of the Articles of Incorporation of the Corporation, as amended, and in accordance with the provisions of Article 2.13 of the Texas Business Corporation Act, the Board of Directors has duly adopted the following resolutions creating a series of preferred stock of the Corporation to be designated Series A Non-Voting Cumulative Stock:

Whereas, the Board of Directors of the Corporation has determined it to be in the Corporation's best interest to designate and issue a series of preferred stock; therefore it is

RESOLVED, that pursuant to the authority vested in the Board of Directors of the Corporation by Article IV of the Corporation's Articles of Incorporation, as amended, a series of preferred stock of the Corporation be, and hereby is, created out of the authorized but unissued shares of the capital stock of the Corporation, such series to be designated Series A Non-Voting Cumulative Preferred Stock, to consist of 4,000,000 shares of no nominal or par value, of which the preferences and relative and other rights, the qualifications, limitations or restrictions of each of which shall be (in addition to those set forth in the Corporation's Articles of Incorporation, as amended) as follows:

Section 1. Dividends. The Series A Preferred Stock shareholders are entitled to receive dividends out of any funds legally available for that purpose at the annual rate of nine percent (9%) of the par value and no more. Accordingly, the annual dividend rate of the Series A Preferred Stock shall be \$0.09 on each outstanding share of such stock. Dividends on shares of the Series A Preferred Stock shall be payable in cash, when, as and if declared by the Board of Directors out of the assets of the Corporation which are by law available for the payment of dividends, annually on such date as may be determined by the Board of Directors, provided that, notwithstanding any other provision set forth herein, no dividends on Series A Preferred Stock may be declared and paid until on or after January 1, 2005, but such dividends shall accrue and become cumulative from the date of original issuance, whether or not earned or declared. Such dividends shall be paid to the record owner of such shares as shown on the stock register of the Corporation on the date on which such dividend is declared and shall be paid within 30 days after such dividend is declared. Such dividends shall be payable before any dividend, distribution, redemption or repurchase shall be paid upon or made or set apart with respect to any Junior Preference Stock (as defined in Section 6 hereof) and shall be cumulative so that if



in any dividend period dividends at the rate of \$0.09 per annum shall not have been paid upon or set apart for the Series A Preferred Stock, the deficiency, but without interest on such deficiency, shall be fully paid or set apart for the payment before any dividend, distribution, redemption or repurchase shall be paid upon or made or set apart with respect to any (i) Junior Preference Stock or (ii) any Parity Stock (as defined in Section 6 hereof), except that dividend payments may be made pro rata on the Series A Preferred Stock and on any Parity Stock as to which cumulative dividends are in arrears according to the full cumulative dividends then in arrears with respect to the Series A Preferred Stock and any Parity Stock. A dividend on account or in full for arrears for any past dividend period may be declared and paid at any time, without reference to any dividend payment date, to stockholders of record on such date, not exceeding 45 days preceding the payment date, as may be fixed by the Board of Directors. To the extent that the amount paid at any time or from time to time on the shares of Series A Preferred Stock shall be less than the total amount due and payable on such shares, such amount shall be paid pro rata to each record owner of such shares in the proportion that the total number of such shares owned bears to the total number of shares of the Series A Preferred Stock then outstanding.

Section 2. Restrictions on Junior Stock Payments. So long as any of the Series A Preferred Stock is outstanding, the Corporation will not declare any dividend on any class of Junior Preference Stock and will not make any other Junior Stock Payment unless, prior to giving effect to the proposed Junior Stock Payment, all dividends on the Series A Preferred Stock for all past dividend periods shall have been paid at the date of declaration in the case of a dividend, or at the date of setting apart money therefor in the case of any mandatory redemption or purchase or other analogous fund, or at the date of payment or distribution in the case of any other Junior Stock Payment (each such date being herein called a "Junior Stock Payment Date").

Section 3. Voting. The holders of the shares of the Series A Preferred Stock shall not be entitled to vote such shares at any meeting of the shareholders of the Corporation except as otherwise required by law or as set forth herein. The right of holders of the shares of Series A Preferred Stock to vote as a separate class is specifically denied.

Section 4. Liquidation. In the event of any complete or partial liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the shares of the Series A Preferred Stock shall each be entitled to receive out of the assets of the Corporation, whether such assets are capital or surplus, a sum equal to \$1.00 plus accrued dividends (including cumulative dividends) to the date of such liquidation, dissolution or winding up. If the assets of the Corporation shall be insufficient to permit the payment in full of such preferential amounts in respect of the Series A Preferred Stock and all other classes and series of Parity Stock, then said assets shall be distributed ratably among the holders of the shares of Series A Preferred Stock and of such other classes and series of Parity Stock in proportion to the amounts that would be payable on such liquidation, dissolution or winding up if all such amounts were paid in full. Neither the sale, conveyance, exchange or transfer of all or substantially all of the properties of the Corporation, nor the merger or consolidation of the Corporation into or with

any other corporation, nor any purchase or redemption of stock of the Corporation of any class shall be deemed or constitute a liquidation, dissolution or winding up for the purposes hereof.

Section 5. Redemption.

(a) At the option of the Board of Directors, the shares of Series A Preferred Stock may be redeemed in whole or in part on or after January 1, 2005 by the Corporation, at a redemption price of \$1.00 per share plus all unpaid and accumulated dividends accrued to such date.

(b) At least 20 but not more than 60 days notice of redemption of Series A Preferred Stock under this Paragraph 5 shall be given by the Corporation to the Series A Preferred Stock shareholders by mailing a copy of such notice to each holder of record at its address appearing on the books of the Corporation. If on or before the date for redemption set in such notice (the "Redemption Date") all funds necessary for such redemption shall have been set aside by the corporation, separate and apart from its other funds, in trust for the pro rata benefit of the holders of the Series A Preferred Stock, so as to be and continue to be available therefor, then from and after the Redemption Date, notwithstanding that any certificate for shares of Series A Preferred Stock shall not have been surrendered for cancellation, the shares represented thereby shall no longer be deemed outstanding, the right to receive dividends thereon shall cease to accrue and all rights with respect to shares of Series A Preferred Stock shall forthwith on the Redemption Date cease and terminate except only the right of the holders thereof to receive the redemption price of such shares so to be redeemed plus accrued and unpaid dividends up to the Redemption Date, but without interest thereon. Any moneys so set aside by the Corporation and unclaimed at the end of five years from the Redemption Date shall revert to the general funds of the Corporation.

Section 6. Definitions. For the purposes hereof, the following terms shall have the following respective meanings:

"Junior Preference Stock" shall mean the Common Stock of the Corporation and any other stock over which the Series A Preferred Stock has a preference as to payment of dividends.

"Junior Stock Payment" shall mean a payment made on any Junior Preference Stock.

"Parity Stock" shall mean any stock of the Corporation ranking as to distribution of assets and dividends on a parity with the Series A Preferred Stock.

"Prior Stock" shall mean any stock of the Corporation which has a preference over the Series A Preferred Stock as to payment of dividends or as to distribution of assets

IN WITNESS WHEREOF, the undersigned has executed this Statement of Designations, Preferences and Rights of Series A Non-Voting Cumulative Preferred Stock this 21st day of December, 1996.

By: Robert H. Millis  
Name: Robert H. Millis  
Title: Chief Financial Officer

DECLASSIFIED 09/30/2010



PD 000404

**AMENDMENT NUMBER 1 TO THE FIRST AMENDED AND  
RESTATED BYLAWS  
OF HERCULES OFFSHORE CORPORATION**

**Section 3.2. Number and Tenure; Chairman of the Board.**

A. The number of directors shall not be less than three (3) nor more than nine (9); provided, however, that a majority of such members shall at all times be U.S. citizens. The number of directors may be increased or decreased from time to time by amendment to these bylaws but no decrease shall have the effect of shortening the term of any incumbent director nor shall the number of directors who are U.S. citizens at any time constitute less than a majority of the directors on the board. The directors shall be elected by the shareholders annually in accordance with the provisions of these bylaws.

Unless sooner removed in accordance with these bylaws, members of the Board of Directors shall hold office until the next annual meeting of the shareholders and until their successors shall have been elected and qualified.

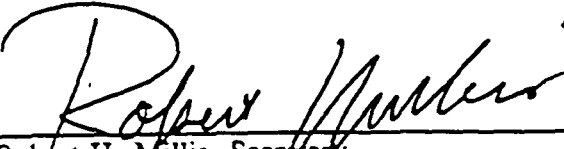
B. The directors shall elect from among their members a Chairman of the Board of Directors who shall be a U.S. citizen and who shall preside at all meetings of the Board of Directors until removed or replaced by affirmative vote of at least a majority of the directors.

**Section 3.8 Quorum.** All of the directors at the time in office shall constitute a quorum for the transaction of business at any regular or special meeting of the Board of Directors, but a smaller number may adjourn from time to time until they can secure the attendance of a quorum; provided, that in no event shall a quorum be constituted unless a majority of the directors present are citizens of the United States. The act of a majority of the directors present at any meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number be required by law or by the Articles of Incorporation or elsewhere in these bylaws.

**Section 4.5 President.** The corporation shall appoint a President, who shall be a citizen of the United States. The President shall be the principal executive officer of the corporation, and, subject to the control of the Board of Directors, shall in general direct, supervise and control all of the business and officers of the corporation. He may sign, with the Secretary or any other proper officer of the corporation thereunto authorized by the Board of Directors, certificates for shares of the corporation, any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly reserved to the Board of Directors by these bylaws or delegated by the Board of Directors or by these

bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed and executed, and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time. The President may exercise the powers given by applicable law to the President of a corporation.

Dated effective May 25, 1996.

  
Robert H. Millis, Secretary

DECLASSIFIED  
09/30/2010

FIRST AMENDED AND RESTATED  
BYLAWS  
OF  
HERCULES OFFSHORE CORPORATION

ARTICLE I.

Section 1.1. Registered Office and Agent. The registered office of the corporation is located at 1212 Guadalupe, Suite 102, Austin, Texas 78701. The name of its registered agent is Capitol Corporate Services, Inc.

Section 1.2. Other Offices. The corporation may have, in addition to its registered office, offices and places of business at such places, both within and without the State of Texas, as the Board of Directors may from time to time determine or the business of the corporation may require. The principal place of business of the corporation, until changed by the Board of Directors, shall be 11011 Richmond Avenue, Suite 500, Houston, Texas 77042.

ARTICLE II.

MEETINGS OF SHAREHOLDERS

Section 2.1. Place of Meetings. All meetings of shareholders shall be held at the principal place of business of the corporation or at such other place within or without the State of Texas as may be designated by the Board of Directors or officer calling the meeting.

Section 2.2. Annual Meeting. The annual meeting of the shareholders of the corporation for the election of directors and for the transaction of such other business as may come before the meeting shall be held on such date and at such place and time as the Board of Directors may determine. Failure to hold the annual meeting at the designated time shall not work a dissolution of the corporation and any business transacted at said meeting shall have the same validity as if transacted on the date designated herein.

Section 2.3. Special Meetings. Special meetings of the shareholders may be called by the Chairman of the Board of Directors or the Board of Directors. Special meetings of shareholders may also be called by the Secretary upon the written request of the holders of shares entitled to not less than ten percent of all the votes entitled to be cast at such meeting. Such request shall state the purpose or purposes of such meeting and the matters proposed to be acted on at the meeting. It shall be the duty of the Secretary to fix the date of the meeting to be held not less than ten nor more than sixty days after the receipt of the request and to give due notice thereof. If the Secretary shall

neglect or refuse to fix the date for the meeting and give notice thereof, the person or persons calling the meeting may do so.

Section 2.4. Notice of Meeting. Written notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than sixty days before the meeting to the shareholders of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the shareholder at his address as it appears on the stock transfer books of the corporation, with postage thereon prepaid.

Section 2.5. Closing of Transfer Books and Fixing Record Date. The Board of Directors may fix, in advance, a date as the record date for the purpose of determining shareholders entitled to notice of, or to vote at, any meeting of shareholders, or shareholders entitled to receive payment of any dividend or the allotment of any rights, or in order to make a determination of shareholders for any other proper purpose. Such date, in any case, shall be not more than sixty days, and in case of a meeting of shareholders, not less than ten days prior to the date on which the particular action requiring such determination of shareholders is to be taken. In lieu of fixing a record date, the Board of Directors may provide that the stock transfer books shall be closed for a stated period not to exceed, in any case, sixty days. If the stock transfer books are closed for the purpose of determining shareholders entitled to notice of or to vote at a meeting of shareholders, such books shall be closed for at least ten days immediately preceding such meeting.

Section 2.6. Voting List. The officer or agent having charge of the stock transfer books of the corporation shall make, at least ten days before each meeting of shareholders, a complete list of the shareholders entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order, with the address of and the number of shares held by each, which list, for a period of ten days prior to such meeting, shall be kept on file at the registered office of the corporation and shall be subject to inspection by any shareholder at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder throughout the entire meeting. The original stock transfer books shall be prima facie evidence of the identity of the shareholders entitled to examine such list or transfer books or to vote at any meeting of shareholders. Failure to comply with any requirements of this Section shall not affect the validity of any action taken at such meeting.

Section 2.7. Voting at Meetings. Any holder of shares of the corporation entitled to vote shall be entitled to one vote for each share held.



Section 2.8. Proxies. A shareholder may vote either in person or by proxy executed in writing by him or by his duly authorized attorney in fact. No proxy shall be valid after eleven months from the date of its execution unless otherwise provided in the proxy. Each proxy shall be revocable unless expressly provided therein to be irrevocable or unless otherwise made irrevocable by law. Each proxy shall be filed with the Secretary of the corporation prior to or at the time of the meeting. Any vote may be taken viva voce or by show of hands unless someone entitled to vote objects, in which case written ballots shall be used.

Section 2.9. Quorum of Shareholders. Except as provided in the immediately following sentence or as otherwise required by applicable law, the presence in person or by proxy of the holders of a majority of the shares entitled to vote, shall constitute a quorum for the transaction of business. In the case of special shareholders' meetings called exclusively for the filling of vacancies on the Board of Directors, the quorum required for such special meeting shall be such percentage as is provided for in Section 3.2 and 3.4 of these bylaws, as same may be amended from time to time. If a quorum is not represented, a majority in interest of those represented may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting ~~at which a quorum shall be present or represented, any~~ business may be transacted which might have been transacted at the meeting as originally notified. The vote of the holders of a majority of the shares entitled to vote and represented at a meeting at which a quorum is present shall be the act of the shareholders' meeting, unless the vote of a greater number is required by law, the Articles of Incorporation or these bylaws.

Section 2.10. Conduct of Meetings. The Chairman of the Board of Directors shall preside at, and the Secretary shall keep the records of, each meeting of shareholders. In the absence of either such officer, his duties shall be performed by another officer of the corporation appointed at the meeting.

Section 2.11. Action Without Meeting. Any action which may be taken at a meeting of shareholders, directors, or any committee may be taken without a meeting if authorized by a writing signed by all of the persons who would be entitled to vote on such action at a meeting, and filed with the Secretary of the corporation.

### ARTICLE III.

#### BOARD OF DIRECTORS

Section 3.1. Management of the Corporation. The business and affairs of the corporation shall be managed by its Board of Directors, which may exercise all such powers of the



corporation and do all such lawful acts or things not directed or required by statute, by the Articles of Incorporation or by these bylaws to be done by the shareholders.

Section 3.2. Number and Tenure; Chairman of the Board.

A. The number of directors shall be five (5); provided, however, that three (3) of such members shall at all times be U.S. citizens. The number of directors may be increased or decreased from time to time by amendment to these bylaws but no decrease shall have the effect of shortening the term of any incumbent director nor shall the number of directors who are U.S. citizens at any time constitute less than a majority of the directors on the board. The directors shall be elected by the shareholders annually in accordance with the provisions of these bylaws.

Unless sooner removed in accordance with these bylaws, members of the Board of Directors shall hold office until the next annual meeting of the shareholders and until their successors shall have been elected and qualified.

B. The directors shall elect from among their members a Chairman of the Board of Directors who shall preside at all meetings of the Board of Directors until removed or replaced by affirmative vote of at least a majority of the directors.

Section 3.3. Qualifications. Directors need not be shareholders or residents of the State of Texas.

Section 3.4. Vacancies. Any vacancy occurring in the Board of Directors (by death, resignation, removal, or otherwise) may be filled by the affirmative vote of a majority of the remaining though less than a quorum of the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 3.5. Place of Meeting. Meetings of the Board of Directors may be held either within or without the State of Texas, at whatever place has been designated from time to time by resolution of the Board or by written consent of all members of the Board. In the absence of specific designation, the meetings shall be held at the principal place of business of the corporation.

Section 3.6. Regular Meetings. The Board of Directors shall meet each year immediately following the annual meeting of the shareholders, at the place of such meeting, for the transaction of such business as may properly be brought before it. No notice of annual meetings need be given to either old or new members of the Board of Directors. Regular meetings may be held at such other times as shall be designated by the Board of Directors.

Section 3.7. Special Meetings. Special meetings of the Board of Directors may be held at any time upon the call of the Chairman of the Board of Directors or, if he is absent or unable or refuses to act, by any two directors of the corporation. Written notice of the time, place, and purpose of the special meeting shall be delivered personally to each director, sent by mail or telefax to the last known address of each director not later than four days before the day appointed for the meeting. Oral notice may be substituted for such written notice if given not later than one day before the meeting. Notice of the time, place and purpose of such meeting may be waived in writing before or after such meeting, and shall be equivalent to the giving of notice. Attendance of a director at such meeting shall also constitute a waiver of notice thereof, except where he attends for the announced purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. Except as otherwise herein provided, neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 3.8. Quorum. Three (3) directors at the time in office shall constitute a quorum for the transaction of business at any regular or special meeting of the Board of Directors, but a smaller number may adjourn from time to time until they can secure the attendance of a quorum; provided, however, that the majority of members necessary to constitute such a quorum shall at all times be U.S. citizens, so that there shall in no instance be a quorum which consists of a majority of non-U.S. citizens. The act of a majority of the directors present at any meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number be required by law or by the Articles of Incorporation or elsewhere in these bylaws.

Section 3.9. Compensation. Directors as such shall not receive any stated salary for their services, but by resolution of the Board, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board; provided, that nothing contained herein shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

Section 3.10. Removal. Subject to the provisions of the Texas Business Corporation Act, the entire Board of Directors or any individual director may be removed from office, either with or without cause, at any meeting of shareholders called for that purpose by the affirmative vote of the number and class(es) of shares required to initially elect such director. The notice calling such meeting shall give notice of intention to act upon such matter. Any vacancy in the Board of Directors caused by removal of any or all directors may be filled at the same meeting in the manner provided in Section 3.4 of these bylaws.

Section 3.11. Conduct of Meetings. The Chairman of the Board of Directors shall preside at all meetings of the Board of Directors. In the absence of the Chairman, the directors present at the meeting shall select one of their number to preside as chairman at that meeting. The Secretary of the corporation, or in his absence, any person appointed by the presiding officer, shall act as Secretary of the meeting.

Section 3.12. Board Committees. The Board of Directors may, by resolution adopted by a majority of the authorized number of directors, designate one or more other committees to conduct such business and affairs of the corporation as the Board, by resolution, may provide. The Board of Directors, by a majority vote, shall have the power at any time to change the powers and members of any committees, to fill vacancies, and to dispose of any committee. Members of any committee shall receive such compensation as the Board of Directors may from time to time provide. The designation of any committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed by law.

Section 3.13. Action Without Meeting. Any action which may be taken at a meeting of shareholders, directors, or any committee may be taken without a meeting if authorized by a writing signed by all of the persons who would be entitled to vote on such action at a meeting, and filed with the Secretary of the corporation.

#### ARTICLE IV.

##### OFFICERS

Section 4.1. Officers. The officers of the corporation shall be elected by the Board of Directors, and shall consist of a President, a Vice President or Vice Presidents, a Treasurer and a Secretary and such Assistant Secretaries and Assistant Treasurers as the Board of Directors may from time to time designate, all of whom shall hold office until their successors are elected and qualified. Two or more offices may be held by the same person, but no officer shall execute, acknowledge or verify any instrument in more than one capacity, if such instrument is required by law, the Articles of Incorporation or these bylaws to be executed, acknowledged or verified by two or more officers.

Section 4.2. Salaries. The salaries of the officers shall be determined by the Board of Directors, and may be altered by the Board from time to time except as otherwise provided by contract. No officer shall be prevented from receiving such salary by reason of fact that he is also a director of the corporation. All officers shall be entitled to be paid or reimbursed for all costs and expenditures incurred in the corporation's business.

Section 4.3. Vacancies. Whenever any vacancies shall occur in any office by death, resignation, removal, increase in the number of officers of the corporation, or otherwise, the same shall be filled by the Board of Directors, and the officer so elected shall hold office for the unexpired term and until his successor is chosen and qualified.

Section 4.4. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 4.5. President. The corporation shall appoint a President. The President shall be the principal executive officer of the corporation, and, subject to the control of the Board of Directors, shall in general direct, supervise and control all of the business and officers of the corporation. He may sign, with the Secretary or any other proper officer of the corporation thereunto authorized by the Board of Directors, certificates for shares of the corporation, any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors has authorized to be executed, ~~except in cases where the signing and execution thereof shall be expressly reserved to the Board of Directors by these bylaws or delegated by the Board of Directors or by these bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed and executed, and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.~~ The President may exercise the powers given by applicable law to the President of a corporation.

Section 4.6. Vice Presidents. Any Vice President may, under the direction and subject to the control of the Board of Directors, perform such duties as may be assigned to such Vice President.

Section 4.7. Secretary. It shall be the duty of the Secretary to attend all meetings of the shareholders and Board of Directors and record correctly the proceedings at such meetings in a book suitable for that purpose. It shall also be the duty of the Secretary to attest with his signature and the seal of the corporation all stock certificates issued by the corporation and to keep at the corporation's principal place of business a stock ledger in which shall be correctly recorded all transactions pertaining to the capital stock of the corporation. He shall also attest with his signature and the seal of the corporation all deeds, conveyances or other instruments requiring the seal of the corporation. The Secretary shall see that all notices are duly given in accordance with the provisions of these bylaws or as

required by law. The person holding the office of Secretary shall also perform, under the direction and subject to the control of the Board of Directors, such other duties as may be assigned to him. The duties of the Secretary may also be performed by any Assistant Secretary, or if there be none, by the Treasurer. In the absence or inability to act, or the refusal or neglect to act, of the Secretary, Assistant Secretary, and Treasurer, any person authorized by the President, any Vice President, or Board of Directors may perform the functions of the Secretary.

Section 4.8. Treasurer. The Treasurer shall have charge and custody of all moneys of the corporation as may be entrusted to his keeping and account for the same. He shall be prepared at all times to give information as to the condition of the corporation and shall make a detailed annual report of the entire business and financial condition of the corporation. The person holding the office of Treasurer shall also perform, under the direction and subject to the control of the Board of Directors, such other duties as may be assigned to him. The duties of the Treasurer may also be performed by any Assistant Treasurer, or if there be none, by the Secretary. In the absence or inability to act, or the refusal or neglect to act, of the Treasurer, Assistant Treasurer, and Secretary, any person authorized by the President, any Vice President, or Board of Directors may perform the functions of Treasurer.

Section 4.9. Delegation of Authority. In the case of any absence of any officer of the corporation or for any other reason that the Board may deem sufficient, the Board of Directors may delegate some or all of the powers or duties of such officer to any other officer or to any director, employee, shareholder or agent for whatever period of time seems desirable, providing that a majority of the entire Board concurs therein.

Section 4.10. Board of Director Approval. The following activities and transactions by the corporation and any of its subsidiaries require the affirmative approval of the Board of Directors and cannot be performed by the officers of the corporation without such board approval:

- (a) All financing and refinancing arrangements, capital leases and loan agreements.
- (b) The hiring of outside consultants, including, but not limited to, legal advisors and accountants.
- (c) All acquisitions of assets or stock.
- (d) All disposition of assets or stock.
- (e) The purchase of stock from shareholders.



- (f) Annual budgets.
- (g) Lawsuits and settlements.
- (h) The appointment or reappointment of the President or the Chief Executive Officer or any other officer.
- (i) The appointment of any committee or any executive to any committee.
- (j) Remuneration payable to the President and all officers and senior executives.
- (k) Any increase in the capital of the corporation.
- (l) All other matters and contracts which by these bylaws or the laws of the State of Texas or other applicable law are required to be carried out by the Board of Directors, and in such event the majority of directors' votes required shall in no event be less than three (3) of the corporation's five (5) directors.

#### ARTICLE V.

##### NOTICES

Section 5.1. Manner of Giving Notice. Whenever, under the provisions of the statutes or of the Articles of Incorporation or of these bylaws, notice is required to be given to any committee member, director or shareholder and no provision is made as to how such notice shall be given, it shall not be construed to mean personal notice, but any such notice may be given in writing by mail, postage prepaid, addressed to such member, director or shareholder at his address as it appears on the records or, in the case of a shareholder, the stock transfer books of the corporation. Any notice required or permitted to be given by mail shall be deemed to be delivered at the time when the same shall be deposited in the United States mails as aforesaid.

Section 5.2. Waiver of Notice. Whenever any notice is required to be given to any committee member, director or shareholder of the corporation under the provisions of any statute, the Articles of Incorporation or these bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

## ARTICLE VI.

CAPITAL STOCK

Section 6.1. Certificates Representing Shares. Shares may not be issued until the full amount of consideration, fixed as provided by law, has been paid or partial payment has been made pursuant to the discretion of the Board of Directors. When such consideration has been paid to the corporation, the shares shall be deemed to have been issued and the corporation shall deliver certificates representing all shares to which shareholders are entitled. Each certificate shall bear upon its face the statement that the corporation is organized in Texas, the name in which it is issued, the number and class of shares and series, and the par value or a statement that the shares are without par value. Such certificates shall be signed by the President or Vice President and the Secretary, and shall bear the seal of the corporation or a facsimile thereof. The signatures of such officer or officers upon a certificate may be facsimiles. In case any officer who has signed or whose facsimile signature has been placed upon such certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer at the date of its issuance.

Section 6.2. Shareholders of Record. The Board of Directors of the corporation may appoint one or more transfer agents or registrars of any class of stock of the corporation. Unless and until such appointment is made, the Secretary of the corporation shall maintain among other records a stock certificate book, the stubs in which shall set forth the names and addresses of the holders of all issued shares of the corporation, the number of shares held by each, the certificate numbers representing such shares, the date of issue of the certificates representing such shares, the number and date of cancellation of every certificate surrendered for cancellation, and whether or not such shares originate from original issues or from transfer. The names and addresses of shareholders as they appear in the stock certificate book shall be the official list of shareholders of record of the corporation for all purposes. The corporation shall not be bound to recognize any equitable or other claim to, or interest in, such shares or any rights deriving from such shares, on the part of any other person, including (but without limitation) a purchaser, assignee or transferee, unless and until such other person becomes the holder of record of such shares, whether or not the corporation shall have either actual or constructive notice of the interest of such other person.

Section 6.3. Transfer of Shares. The shares of the corporation shall be transferable on the stock certificate book of the corporation by the holder of record thereof, or his duly authorized attorney or legal representative, upon endorsement and surrender for cancellation of the certificates for such shares.

All certificates surrendered for transfer shall be cancelled, and no new certificate shall be issued until a former certificate or certificates for a like number of shares shall have been surrendered and cancelled, except that in the case of a lost, destroyed or mutilated certificate, a new certificate may be issued therefor upon such conditions for the protection of the corporation and any transfer agent or registrar as the Board of Directors or the Secretary may prescribe.

## ARTICLE VII.

### MISCELLANEOUS PROVISIONS

#### Section 7.1. Indemnification of Officers and Directors.

A. Each person who shall have served as a director or officer of this corporation, or at its request as director or officer of another corporation, partnership, joint venture, trust or other enterprise in which it now owns or may hereafter own shares of capital stock or of which it now is or may hereafter be a creditor, shall be indemnified by the corporation against any recoveries and awards, and any expenses and costs (including attorneys' fees) actually and necessarily incurred by him, in connection with any claim asserted against him, by action in court ~~or otherwise, by reason of being or having been such director of~~ officer, except when in any court proceeding he shall have been adjudged guilty of negligence or misconduct in respect of the matter in which indemnity is sought; provided, however, that the foregoing right of indemnification shall not be exclusive of other rights to which he may be entitled by law.

B. The corporation may purchase and maintain insurance or another arrangement, on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of this Article or of Article 2.02 of the Texas Business Corporation Act.

Section 7.2. Amendments. These bylaws may be altered or repealed at any regular meeting of the shareholders or at any special meeting of the shareholders at which a quorum is present or represented, provided notice of the proposed alteration or repeal be contained in the notice of such special meeting, by the affirmative vote of a majority of the shares entitled to vote and present or represented at such meeting, or by the affirmative vote of a majority of the directors on the Board of Directors at any regular meeting of the Board or at any special meeting of the Board



if notice of the proposed alteration or repeal be contained in the notice of such special meeting, except that the directors shall not alter, amend or repeal any bylaw adopted by the shareholders or enact any bylaw in conflict with a bylaw adopted by the shareholders; provided, however, that no change of the time or place of the meeting for the election of directors shall be made within sixty days next before the day on which such meeting is to be held, and that in case of any change of said time or place, notice thereof shall be given to each shareholder in person or by letter mailed to his last known post office address at least twenty days before the meeting is held.

Section 7.3. Dividends. Dividends upon the outstanding shares of the corporation, subject to the provisions of the statutes and of the Articles of Incorporation, may be declared by the Board of Directors at any regular or special meeting. Dividends may be declared and paid in cash, in property, or in shares of the corporation, or any combination thereof. The declaration and payment shall be at the discretion of the Board of Directors.

Section 7.4. Reserves. There may be created from time to time by resolution of the Board of Directors, out of the earned surplus of the corporation, such reserve or reserves as the directors in their discretion think proper to provide for contingencies, or to equalize dividends, or to repair or maintain any property of the corporation, or for such other purpose as the directors shall think beneficial to the corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

Section 7.5. Conference Telephone Meetings. Meetings of shareholders, directors, or any committee, may be held by means of conference telephone or similar communications equipment so long as all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 7.6. Resignations. Any director or officer may resign at any time. Such resignations shall be made in writing and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the President or Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 7.7. Surety Bonds. Such officers and agents of the corporation (if any) as the President or the Board of Directors may direct, from time to time, shall be bonded for the faithful

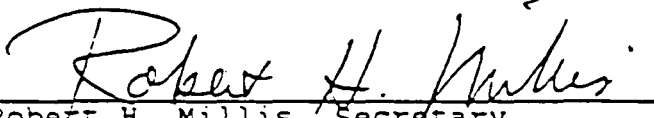
performance of their duties and for the restoration to the corporation, in case of their death, resignation, retirement, disqualification or removal from office, of all books, papers, vouchers, money and other property of whatever kind in their possession or under their control belonging to the corporation, in such amounts and by such surety companies as the President or the Board of Directors may determine. The premiums on such bonds shall be paid by the corporation, and the bonds so furnished shall be in the custody of the Secretary.

Section 7.8. Execution of Instruments. The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute any corporate instrument or document, or to sign the corporate name without limitation, except where otherwise provided by law, and such execution or signature shall be binding upon the corporation.

Section 7.9. Seal. The corporate seal shall be a device containing the name of the corporation, the year of its organization and the words "Corporate Seal, Texas."

Section 7.10. Fiscal Year. The fiscal year of the corporation shall be September 30.

Adopted by the Board of Directors on April 4, 1994.

  
Robert H. Millis, Secretary

DECLASSIFIED 09/30/2010



DECLASSIFIED  
09/30/2010

ARTICLES OF AMENDMENT  
TO THE  
ARTICLES OF INCORPORATION

FILED  
In the Office of the  
Secretary of State of Texas  
DEC 23 1996  
Corporations Section

Pursuant to the provisions of Article 4.04 of the Texas Business Corporation Act (the "Act"), the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation:

ARTICLE 1

The name of the corporation is Hercules Offshore Corporation.

ARTICLE 2

The following amendment to the Articles of Incorporation was adopted by the shareholders of the corporation on November 21, 1996. The shareholders of the corporation deemed it to be in the best interest of the corporation to provide for a class of preferred shares.

The amendment alters or changes Article IV of the original Articles of Incorporation, as amended, and the full text of such provision as amended is as follows:

ARTICLE IV

"The corporation shall have authority to issue two classes of shares, to be designated respectively as preferred and common. The total number of shares which the corporation is authorized to issue is Twenty Three Million Thirty Four Thousand Three Hundred Eighty Four (23,034,384) shares. The number of preferred shares authorized is Five Million (5,000,000) shares, no nominal or par value. The number of common shares authorized is Eighteen Million Thirty Four Thousand Three Hundred Eighty Four (18,034,384) shares of Common Stock, \$1.00 par value.

Section 4.01 Authorization of Directors to Determine Certain Rights of Preferred Stock. The Board of Directors is authorized, from time to time, to divide the preferred stock into series, to designate each series, to fix and determine separately for each series any one or more of the following relative rights and preferences, and to issue shares of any series then or previously designated, fixed and determined:

- (A) the rate of dividend;
- (B) the price at and the terms and conditions on which shares may be redeemed;
- (C) sinking fund provisions (if any) for the redemption or purchase of shares;

PD 000420

(D) the amount payable upon shares in the event of involuntary dissolution;

(E) the amount payable upon shares in the event of voluntary dissolution;

(F) the terms and conditions on which shares may be converted if the shares of any series are issued with the privilege of conversion;

(G) the terms and conditions, if any, on which shares may be exchanged for corporate property or indebtedness; and

(H) voting rights (including the number of votes per share, the matters on which the shares can vote, and the contingencies which make the voting rights effective)."

### ARTICLE 3

The number of shares of the corporation outstanding at the time of such adoption was 18,034,384 and the number of shares entitled to vote thereon was 18,034,384.

### ARTICLE 4

The holder of all the shares outstanding and entitled to vote on said amendment has signed a consent in writing pursuant to Article 9.10 of the Act adopting said amendment and any written notice required by Article 9.10 of the Act has been given.

Dated December 21, 1996.

HERCULESOFFSHORECORPORATION

By: Robert H. Millis  
Name: Robert H. Millis  
Title: Chief Financial Officer

PD 000421

## EXHIBIT C

### RESOLUTIONS OF THE BOARD OF DIRECTORS OF HERCULES OFFSHORE CORPORATION

WHEREAS, Hercules Offshore Corporation, a Texas corporation (the "Company") desires to enter into a Loan and Security Agreement (the "Loan Agreement") with Heller Financial, Inc. ("Heller") pursuant to which Heller will provide a term loan facility to the Company of up to an aggregate principal amount of \$26,000,000 and secured by certain of the assets of the Company;

WHEREAS, to evidence the extension of credit from Heller to the Company, the Company shall execute and deliver to Heller the Loan Agreement and such other documents or instruments as requested by Heller (the Loan Agreement and all other documents, instruments and agreements entered into or contemplated therein or otherwise required by Heller are hereinafter collectively referred to as the "Loan Documents");

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors finds that the Loan Documents, and the transactions provided for therein, will benefit, directly or indirectly, the Company and deems it in the best interest of the Company that the Company enter into and perform its obligations under the Loan Documents in substantially the form submitted to the Board of Directors;

~~RESOLVED, FURTHER,~~ that the President, Chief Executive Officer, Vice President, Chief Financial Officer, Treasurer or Secretary (each, an "Authorized Officer") of the Company is hereby authorized to execute and deliver for and on behalf of the Company the Loan Documents with such changes in the terms, conditions and provisions thereof as Authorized Officer deems appropriate and in the best interest of the Company; the execution of the Loan Documents shall be conclusive against the Company that such Authorized Officer deemed the terms, conditions and provisions thereof to be appropriate and in the best interest of the Company;

RESOLVED, FURTHER, that each Authorized Officer of the Company or any one or more of them be, and hereby is, authorized and directed, on behalf of the Company, at any time and from time to time hereafter and without further action or by authority or direction from the Board of Directors of the Company, to execute and deliver all such other and further agreements, requests, statements and documents and to do or cause to be done all such other and further acts and things as any Authorized Officer may determine to be necessary or advisable under or in connection with the Loan Documents and the transactions provided for therein; the execution by any Authorized Officer of such agreement, request, statement, instrument or document or the doing of any such act or thing will be conclusive evidence of his or their determination in that respect;

RESOLVED, FURTHER, that any and all actions taken by any of the officers or representatives of the Company, for and on behalf of and in the name of the Company, with Heller prior to the adoption of these resolutions, which are within the authority conferred by the

foregoing resolutions, are hereby ratified, authorized, adopted and approved in all respects for all purposes;

RESOLVED, FURTHER, that Heller be, and it hereby is, authorized to rely on the continuing effect of these resolutions, until Heller receives written notice to the contrary.

DECLASSIFIED 09/30/2010



DECLASSIFIED  
09/30/2010



# The State of Texas

## SECRETARY OF STATE

IT IS HEREBY CERTIFIED, that Articles of Incorporation of

**HERCULES OFFSHORE CORPORATION**  
**CHARTER NO. 1275495**

were filed in this office and a certificate of incorporation was issued on

**JUNE 25, 1993;**

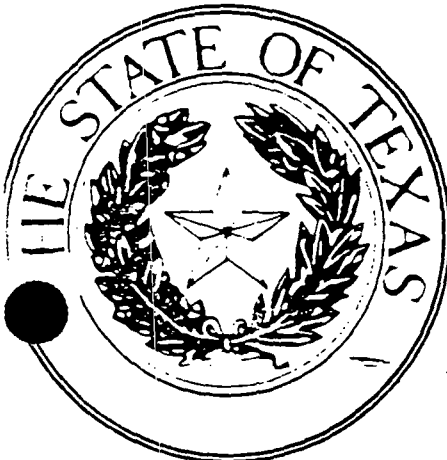
IT IS FURTHER CERTIFIED, that no certificate of dissolution has been issued, and the corporation is still in existence.

IT IS FURTHER CERTIFIED, that a diligent search of the records of this office reveals that the following described documents are on file as of this date for such corporation:

ARTICLES OF INCORPORATION  
ARTICLES OF AMENDMENT  
CHANGE OF REGISTERED OFFICE AND/OR AGENT  
ARTICLES OF AMENDMENT

JUNE 25, 1993  
SEPTEMBER 2, 1993  
OCTOBER 21, 1993  
JANUARY 11, 1994

*IN TESTIMONY WHEREOF, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in the City of Austin, on December 13, 1996.*



PD 000424

*1077.*

Antonio O. Garza, Jr.  
Secretary of State

DAR



EXHIBIT D

# TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

JOHN SHARP • COMPTROLLER • AUSTIN, TEXAS 78774

December 13, 1996

2H17/DKIS460

HERCULES OFFSHORE CORPORATION  
11011 RICHMOND AVE STE 500  
HOUSTON TX 77042-6709

DECLASSIFIED  
09/30/2010

## CERTIFICATION OF ACCOUNT STATUS

THE STATE OF TEXAS

COUNTY OF TRAVIS

I, John Sharp, Comptroller of Public Accounts of the State of Texas, DO  
HEREBY CERTIFY that according to the records of this office

HERCULES OFFSHORE CORPORATION

is, as of this date, in good standing with this office having no franchise  
tax reports or payments due at this time.

This certificate is valid through the date that the next franchise tax report  
will be due, May 15, 1997.

This certificate is not valid for the purpose of dissolution, merger or  
withdrawal.

GIVEN UNDER MY HAND AND  
SEAL OF OFFICE in the City of  
Austin, this 13th day of  
December, 1996 A.D.

JOHN SHARP  
Comptroller of Public Accounts

Charter/C.O.A. number: 012754958-0





United States  
Environmental Protection Agency - Region 6  
Compliance Assurance and Enforcement Division  
Storm Water Staff - 6EN-WT  
1445 Ross Avenue, Suite 1200  
Dallas, TX 75202-2733

FIRST CLASS MAIL  
Postage and Fees Paid  
EPA  
G-35

Official Business  
Penalty for Private Use  
\$300



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Penalty for Private Use  
\$300

HERCULES REAL ESTATE CORP  
HERCULES REAL ESTATE CORP  
NPDES Storm Water Permit No. TXR00F488  
ROBERT H MILLIS  
11011 RICHMOND AVE STE 500  
HOUSTON, TX 77042-

HERCULES MARINE SVCS CORP  
HERCULES MARINE SVCS CORP  
NPDES Storm Water Permit No. TXR00J970  
ROBERT MILLIS  
11011 RICHMOND AVE STE 500  
HOUSTON, TX 77042-



United States  
Environmental Protection Agency - Region 6  
Compliance Assurance and Enforcement Division  
Storm Water Staff - 6EN-WT  
1445 Ross Avenue, Suite 1200  
Dallas, TX 75202-2733

FIRST CLASS MAIL  
Postage and Fees Paid  
EPA  
G-35

Official Business  
Penalty for Private Use  
\$300

HERCULES REAL ESTATE CORP  
HERCULES REAL ESTATE CORP  
NPDES Storm Water Permit No. TXR00E906  
ROBERT H MILLIS  
11011 RICHMOND AVE STE 500  
HOUSTON, TX 77042-

PD 000434




**EPA Region 6**  
**Compliance Assurance and Enforcement Division**  
**Water Enforcement Branch**  
**(800)245-6510 (214)665-7518**

October 16, 1998

This post card is being sent to you because you either currently have coverage or had coverage under the NPDES 1992 Baseline Industrial Storm Water General Permit ("Baseline Permit"). EPA Region 6 issued the final NPDES Modification of the Multi-Sector General Permit ("MSGP") and Notification of Termination of the Baseline Permit (63 Fed. Reg. 52429-52577) on September 30, 1998. The Baseline Permit will be terminated on December 31, 1998. Facilities with administratively continued coverage under the Baseline Permit must re-apply for NPDES permit coverage. Eligible facilities may transition to the existing MSGP by filing a Notice of Intent (NOI) for that permit by December 29, 1998. These facilities should submit an NOI application form (EPA Form 3510-6) to obtain coverage under the MSGP. The permit language, the NOI and the Modification are all available on the Region 6 Storm Water web page at <http://www.epa.gov/region6/law/> or you may request a copy to be mailed to you by phoning (202)260-7786. You may request NOIs by phoning (214)665-7190.

If you have already obtained coverage under the Multi-Sector General Permit, you do not need to reapply for permit coverage. The MSGP is similar to the Baseline Permit in that both permits require a SWPPP. Differences between the two permits are given in Appendix B of the Modifications starting on page 52467. You will need to review the MSGP and the Modifications, and update your SWPPP accordingly. The deadline for updating and implementing the SWPPP is March 29, 1999.

Failure to apply will result in your facility being unpermitted and in violation of Section 301 of the Clean Water Act effective on midnight of December 31, 1998. Your cooperation with this NPDES program will help assure that the goals of the Clean Water Act are achieved and that all waters of the United States are fishable and swimmable. If you have any questions, you may phone the Storm Water Hotline at (800)245-6510, the Region 6 Water Quality Protection Division at (214)665-7190, or the Region 6 Compliance Assurance and Enforcement Division at (214)665-7112.

  
Taylor M. Sharpe

Regional Storm Water Enforcement Officer



**EPA Region 6**  
**Compliance Assurance and Enforcement Division**  
**Water Enforcement Branch**  
**(800)245-6510 (214)665-7518**

October 16, 1998

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Regional Storm Water Enforcement Officer



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Taylor M. Sharpe

Regional Storm Water Enforcement Officer



\*\*\* TEXAS NATURAL RESOURCE CONSERVATION COMMISSION \*\*\*  
Notice of Registration  
Industrial and Hazardous WastePage: 1  
Date: 09/08/99

This registration does not constitute authorization of any waste management activities or facilities listed below. The registration reflects hazardous and/or industrial waste generation and management activities for which the registrant has provided notification. Requirements for solid waste management are provided by Texas Administrative code section 335 of the rules of the Texas Natural Resource Conservation Commission (TNRCC). Changes or additions to waste management methods referred to in this notice require written notification to the TNRCC.

Solid Waste Registration Number: 30141 EPA Id: TX0980626121

The Solid Waste Registration Number provides access to computerized and filed information pertaining to your operation. Please refer to that number in any correspondence.

Company Name: Hercules Marine Services Corporation  
Site Name: Hercules Marine Services Corporation  
Site Location: 906 Marlin Avenue  
Contact: Millis, Robert

Region: 12 Initial Registration Date: 05/10/1977  
County: 20 Brazoria Last Amendment Date: 09/01/1999  
Title: Last Date NOR Computer update: 09/08/1999  
Phone: 713-260-6300

Mailing Address: 11011 Richmond Ave.  
Suite 500  
Houston, TX 77042-

Site Street Address: 906 Marlin Ave  
Freeport, TX 77541

Registration Status: Inactive  
Registration Type: Generator  
Generator Type: Industrial

Hazardous Waste Generation Status: Large Quantity Generator

Primary SIC Code:  
Handler Status:

Operator Information  
Name:  
Phone:  
Address:

Owner Information  
Name: Adway International Limited  
Phone:  
Address: PO Box 71  
Craignuir chambers, Road Town British VI

As of 09/01/1999 - the next unassigned sequence number for WASIES is 0001 and  
the next unassigned sequence number for UNITS is 006.

Section 335, Chapter 31 of the Texas Administrative Code specifies the notification, record keeping, manifesting and reporting requirements for hazardous and industrial solid wastes.

PD 000436

\*\*\* TEXAS NATURAL RESOURCE CONSERVATION COMMISSION \*\*\*  
Notice of Registration  
Industrial and Hazardous WastePage: 2  
Date: 09/08/99

30141 Hercules Marine Services Corporation

## \*\*\*\* WASTE INFORMATION \*\*\*\*

Texas Waste Code	Waste Class	Status	Date of Status	Managed Onsite/Offsite	Radio-active	INRCC Audit Complete
------------------	-------------	--------	----------------	------------------------	--------------	----------------------

\*\* No Longer Generated Wastes \*\*

109270	1	Inactive	11/06/98	NA	No	
Description from Generator: WASHINGS FROM BARGES, TANKS, RR TANK CARS, ETC.-MISC. CHEMS						
Form Code:						
Current Management Units: None						
• Origin Codes:						

110760	1	Inactive	11/06/98	NA	No	
Description from Generator: CHEMICALS, ORGANIC (DRAINAGE, FLUSHINGS AND WASHINGS)						
Form Code:						
Current Management Units: None						
• Origin Codes:						

250150	2	Inactive	11/06/98	NA	No	
Description from Generator: PETROLEUM REFINING STILL BOTTOMS						
Form Code:						
Current Management Units: None						
• Origin Codes:						

979490	H	Inactive		NA	No	
Description from Generator: SLUDGE, EVAPORATION POND (ORGANICS & HYDROCARBONS)						
Form Code:						
Current Management Units: None						
• Origin Codes:						

\* The first value is considered the primary value (e.g. primary origin code).  
As of 09/01/1999, the next unassigned sequence number for WASTES is 0001.

Refer to 40 CFR Part 261 for Descriptions of EPA Hazardous Waste Numbers.

PD 000437

\*\*\* TEXAS NATURAL RESOURCE CONSERVATION COMMISSION \*\*\*  
Notice of Registration  
Industrial and Hazardous WastePage: 3  
Date: 09/08/99

30141 Hercules Marine Services Corporation

## \*\*\*\* UNITS AT THIS SITE MANAGING WASTE \*\*\*\*

Unit Number	Unit Type	Unit Status	Date of Status	Classes of Waste Managed in Unit Onsite / Offsite	Unit Permit Number	Unit # on Permit	Regulatory Status	Deed Recording Needed/Date
----------------	--------------	----------------	-------------------	---	--------------------------	------------------------	----------------------	-------------------------------

## \*\* 'Active' &amp; 'Closure Pending' Units \*\*

002	Waste Pile	Active	04/01/83	/ NA	NA	NA		NA /
-----	------------	--------	----------	------	----	----	--	------

Description from Company: Moveable barge bulk storage area

System Types: 141 Storage

Wastes Currently Managed in Unit:

Wastes Previously Managed in Unit: 109270 110760 250150

003	Tank	Active	04/01/83	/ NA	NA	NA		NA /
-----	------	--------	----------	------	----	----	--	------

System Types: 141 Storage

Wastes Currently Managed in Unit:

Wastes Previously Managed in Unit: 109270 110760 250150

004	Tank	Active	04/01/83	/ NA	NA	NA		NA /
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System Types: 141 Storage

Wastes Currently Managed in Unit:

Wastes Previously Managed in Unit: 109270 110760 250150

As of 09/01/1999, the next unassigned sequence number for UNITS is 006.

## \*\* 'Inactive', 'Closed' &amp; 'Post Closure Care' Units \*\*

001	Surface Impoundment	Closed	08/01/82	/ NA	NA	NA		Yes/
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Description from Company: Lined ponds with 5.5 million gallons capacity

System Types:

Wastes Previously Managed in Unit: 109270

005	Surface Impoundment	Closed	08/01/82	/ NA	NA	NA		NA /
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Description from Company: Lined ponds with 5.5 million gallons capacity

System Types: 141 Storage

Wastes Previously Managed in Unit: 979490

PD 000438